Annual Report of the Oxford Future of Marketing Initiative

January – December 2018
From the Director

2018 was a fantastic year for FOMI and for the marketing faculty group in general here at the Saïd Business School. FOMI has gone from strength to strength since its launch in November 2016, growing to nine corporate partners in just a short period.

In April we welcomed PwC to the Initiative. PwC ranks as one of the largest professional services firms in the world and brings a wealth of experience and insights to the FOMI community.

More recently, we welcomed the Mobile Marketing Association, based in New York and led by CEO Greg Stuart, to FOMI. The MMA is a leading industry association representing some of the world’s biggest and most well-known brands in the space of digital advertising and mobile marketing. We’re delighted to have MMA on board and to start working with them on research related to brand safety in digital advertising.

In other FOMI news this year, we welcomed three new postdoctoral research fellows to the group, each with unique skills and perspectives that have already added a lot to FOMI’s work. Dr Natalia Efremova is a computer scientist with expertise in machine learning and artificial intelligence. Natalia is working on projects involving finding applications of AI to marketing analytics. Dr Jason Bell is a marketing scientist with expertise in machine learning, advanced statistics and econometrics. Jason is working on projects involving advanced analysis, machine learning, and innovation. Dr Ewan Macdonald is a biologist and is working on projects at the intersection of conservation, marketing, and behavioural science. Welcome to our new research fellows!

Finally, we were very proud to hear that the marketing faculty group here at Oxford Saïd — the core of FOMI — was ranked as the top group of marketing academics in the UK, second in Europe, and third outside of North America. This ranking was based on research productivity of groups of marketing academics in the world’s business schools and goes to show that the combination of rigor and relevance in the research work we are doing is making a difference and being recognised. In similar news, once again I was recognised by the American Marketing Association in their annual global ranking of marketing academics as the top marketing academic researcher in the UK (and in fact the only marketing academic based in the UK to be on the global top-50 list).

Coming up in 2019 we have plenty of exciting ongoing and new research projects, some new partners looking to join, and we will launch two new “FOMI-powered” executive education/leadership programmes: Driving Disruptive Growth and Delivering Value Through Digital. These programmes join our fully-online executive programme launched in 2018, Oxford Digital Marketing Disruptive Strategy (which features as guest speakers’ leaders from many FOMI partners including Allianz, General Assembly, Kantar, L’Oréal, Nucleus Marketing Solutions and Teradata).

Said Business School is very proud of FOMI and extremely grateful for the support of its industry partners. Without you we couldn’t do the exciting and future-oriented research and teaching that we do. Thank you for your dedication to what we are jointly doing with FOMI.

Professor Andrew Stephen
Director, Oxford Future of Marketing Initiative
Mission and Major Research Themes

The Oxford Future of Marketing Initiative is a unique approach that brings together the brightest academic minds from the University of Oxford’s Saïd Business School with high-level industry partners representing major brands, agencies, technology companies, and industry bodies with a collective mission to inform and shape the future of marketing thought and practice, and marketing’s important role in forward-looking, growth-oriented businesses. Through academic-industry collaboration, FOMI provides relevant, rigorous, and evidence-based perspectives on matters of importance for marketing and business leaders.

FOMI’s specific goals are as follows.

- For Oxford Said to be a global hub for research and thought leadership around issues that strike at the heart of the future of marketing, where leading academics and organisations are convened to collaboratively work on addressing these issues.

- For FOMI to be a conduit for leading organisations to inform, contribute to, and impact Oxford Said’s education mission and, specifically, marketing curriculum, so that current and future business leaders who come to Oxford Said for their education will be better informed and future ready.

- For FOMI’s faculty and research fellows to conduct research with the support (e.g. data, resources) of the industry partners. The research will be grounded in real-world issues of clear and direct relevance to marketing practice and will generate actionable insights that partners can use to drive changes that give rise to measurable business impacts.

- For the academic and industry members of FOMI to always be thinking ahead, towards the future, and not caught up in the past. FOMI’s collective thinking should always keep the future in mind and strive to identify emergent issues, marketplace phenomena, and challenges that can be discussed and studied.

Since its inception in November 2016, FOMI has had a set of research themes that serve as intellectual and practical guidance with respect to the types of issues—and therefore research projects—that faculty, research fellows, and industry partners will focus on. The current research themes are as follows.

Future customers
Marketers are facing the challenge of understanding the customers of the future, which includes the younger generations (e.g., Generation Z and Generation Alpha) who use technology to interact with organisations and each other in very different ways to the generations that came before them. Of interest is what these customers want, where they get their information from (e.g., media channels), how they interact with brands and each other, and how their attitudes and expectations form.

Future marketers and business growth models
As marketing evolves, customers change, and disruptive forces impact existing industries, there is a need to think about both the future role of marketing practice (i.e., marketing professionals) and how marketing contributes to business growth models, especially driving disruptive growth. Of interest is the marketing function of the future in terms of what marketers need to be able to (skills), how marketing curricula in business schools should be adapted, and how future-focused marketing thinking and skills feed into disruptive business growth models.
Future measurement and assessing the impact of marketing in an expanding multi-channel world

A perennially important topic in marketing and business involves measurement and ascertaining the effectiveness of marketing activities and advertising/media spending. Central to this is that we need to better understand what to measure, how to measure, and why we measure in the environment we currently face (and will continue to face) where there exists an expanding set of channels and touchpoints. This all operates as complex system but this system and how everything works together is not necessarily well understood. Further, there is a need for rigorous research that leads to the development of new approaches to marketing analytics—bringing in the latest methods from machine learning and artificial intelligence—that can help marketers more accurately understand the effectiveness of their marketing activities and develop better future plans.

Future roles of creativity and innovation in marketing

The roles of creativity and innovation in marketing have been questioned, and their importance even doubted by some in the industry, because of the rise of data science, advanced analytics, and machine learning. Given recent and ongoing advances in artificial intelligence, how creativity, in terms of both innovative and strategic thinking as well as creative work in advertising, fits into a heavily data-fueled and technology-enabled marketing operation is a challenging question to answer. Although we firmly believe there is a definite place for creativity and innovative thinking in the future of marketing, how this fits into a “whole-brain” view of marketing needs to be better understood. Of interest is how to combine the “left” and “right” sides of the marketer’s brain to achieve the best outcomes, and to consider how the combination of human intelligence and artificial intelligence (HI-AI) can work.

Future role of marketing, meaningfulness, and purpose

Increasingly of interest is meaning and purpose within a marketing context, including with respect to brand purpose. At the heart of this are considerations of how we can (or should) think about moving from having customer “relationships” to considering more “meaningful connections” between customers and brands. More broadly, this theme speaks to the future role (and possible breadth) of marketing in organisations and in society and includes considering how marketing activities and consumption of digital media can impact, positively or negatively, individual wellbeing.
Selected Research Highlights

Understanding Chief Digital Officers
A new report by Oxford Said and General Assembly reveals contradictions and insecurity behind the newest C-suite role: The Chief Digital Officer. Academics at Said Business School conducted over 40 in-depth interviews with CDOs from 13 countries, with a median of 11 to 15 years of digital experience, and a wide range of sectors. The findings reveal that the role is paradoxically part of the organisational establishment while being asked to disrupt it, with a digital remit than can only be fulfilled by an organisation-wide change. Successful CDOs embrace the paradoxical nature of their roles and turn contradictory demands into complementary forces.

Social Media Advertising
Research was released by Oxford Said based on a study done in collaboration with and Kantar and Facebook. The study involved a meta-analysis of 235 brand advertising campaigns involving 110 different brands who advertised on Facebook and Instagram globally. The study looked at the impact of social media advertising on longer-term brand health measures such as brand awareness and found that to perform well in a social news feed advertising environment, brands need to behave in a more “human” manner. In particular, the findings showed that brands that positioned themselves on Facebook as being more informal, having “human-like” social characteristics as indicated by their branded content and communications, had better performance with their news feed advertising when it came to lifting brand awareness. This research was nominated for best social media research at the 2018 Marketing Research Society Awards.

Digital Advertising “Honeymoon” Effects
Another study from Oxford Saïd and Kantar involved a meta-analysis of almost 8,000 digital advertising campaigns over a seven-year period. Campaigns were measured against a variety of brand metrics, such as awareness, favourability and purchase intent. Average campaign effectiveness across KPIs and over time was looked at, comparing campaigns run on desktop versus mobile. The dataset allowed for a unique glimpse into the evolution of the effectiveness of mobile advertising, starting as a brand-new media channel at the start of the study and maturing over the seven years of data. Desktop, as a mature channel throughout the seven years, had stable year-on-year effectiveness in terms of brand lift across KPIs, with the average lift across KPIs and campaigns being approximately always 4%. Mobile, however, exhibited what we call a “honeymoon period” whereby its average effectiveness/lift initially rose (in some cases, to double-digit percentage brand lifts) and then, over time declined back to a stable level about the same as desktop. This research shows how disproportionately high campaign effectiveness can be achieved when a digital media channel is new (for at least a couple of years) and then what marketers and media planners should expect as that channel matures.

Understanding Consumer Responses to Chatbots
With chatbots predicted to power 85% of all customer service interactions by 2020, FOMI faculty identified a need to have a deeper understanding of how consumers feel about their interactions with chatbots. Beginning with a very large dataset of customer-bot interactions from a large multinational telecom’s customer service website, Oxford Said found that the extent to which the bot was treated by customers as a human (which is called anthropomorphism, i.e., the attribution of human-like properties to non-human objects) affected customer satisfaction. Anthropomorphising the bot resulted in higher levels of satisfaction among neutral and happy customers. However, it resulted in vastly lower levels of satisfaction among customers who started the chat unhappy or angry with a complaint. This finding was then confirmed through a series of lab studies, demonstrating that human-like chatbots are great when customers are not unhappy, but if they are expressing anger and seeking to resolve complaints or service failures, making chatbots more human will backfire. It backfires through (i) lower service satisfaction, (ii) lower brand favourability, and (iii) lower future purchase intention.
Recently Accepted Publications

What Happens When Customers Use Their Smartphones In-Store?


As mobile phones continue to rapidly expand around the world, marketers are seeking to better understand the impact these devices have on consumer outcomes. One common but understudied area is how mobile phones may influence in-store behaviours. Although prior research has investigated the many shopping related activities consumers undertake on their phones, it is still estimated that nearly half of all in-store mobile phone use is unrelated to the shopping task. Therefore, this paper examines the impact of shopping-unrelated mobile phone use, a frequent but understudied phenomenon, on consumers’ ability to accurately manage in-store shopping plans. Using both field and experimental data, we demonstrate that shopping-unrelated mobile phone use negatively affects consumers' ability to accurately carry out in-store shopping plans and is associated with an increase in unplanned purchasing. Furthermore, we find that consumers who are highly dependent upon mobile phones tend to be the most at risk of deviating from a shopping plan while engaging in shopping-unrelated mobile phone use.

Do Consumers Trust Mobile Product/Service Reviews More?


In the context of user-generated content (UGC), mobile devices have made it easier for consumers to review products and services in a timely manner. In practice, some UGC sites indicate if a review was posted from a mobile device. For example, TripAdvisor uses a “via mobile” label to denote reviews from mobile devices. However, the extent to which such information impacts consumers is unknown. To address this gap, the authors use TripAdvisor data and five experiments to examine how mobile devices impact consumers’ perceptions of UGC reviews and their purchase intentions. They find that knowing a review was posted from a mobile device can lead consumers to have higher purchase intentions. Interestingly, this is due to a process whereby consumers assume mobile reviews are more physically effortful to craft and subsequently equate this greater perceived effort with the credibility of the review.

What Happens To Consumers’ Purchase Intentions After Posting About Products On Social Media?


Consumers frequently express themselves by posting about products in social media. As consumers can use physical products to signal their identities, posting products in social media may be a way for consumers to virtually signal identity. Paradoxically, we propose that there are conditions where this action can reduce a consumer's subsequent purchase intentions. Five experiments demonstrate that posting products in social media that are framed as being identity-relevant can reduce a consumer's subsequent purchase intentions for the same and similar products, as this action allows a consumer to virtually signal their identity; fulfilling identity-signaling needs. Fortunately for retailers, the authors suggest theoretically and managerially-relevant moderators that attenuate this negative effect on intent to purchase. These findings have important implications for how firms can conduct social media marketing to minimize negative purchase outcomes.
The second annual Oxford Future of Marketing Symposium was held on 14 November 2018. The symposium continues to provide a space for FOMI partners, as well as Oxford Said faculty, researchers, and students, to convene to exchange their knowledge, discuss their interesting future-oriented marketing challenges, and to hear about FOMI research findings. Some of the topics discussed during panel sessions this year included “What can marketing learn from creative industries?” and “The role of AI and data in marketing.” The event concluded with a panel discussion on the relevance of marketing in the boardroom, which was broadcast live and is also a special feature episode of the FutureProof podcast series produced by FOMI and Kantar.
FOMI – Teradata Annual Conference

The second of our now-annual conferences with inaugural FOMI partner Teradata was held at Worcester College, Oxford on 6 July 2018. The conference is a great way to bring FOMI partners together with Teradata and some key Teradata clients to talk about the exciting worlds of marketing analytics, machine learning, AI and digital transformation of marketing. At this year’s conference we heard from keynote speaker Seth Rogin, President and CEO of Nucleus Marketing Solutions (another one of FOMI’s inaugural partners), as well as speakers from Oxford, Allianz and Kantar.
Our Industry Partners

Our industry partners are pioneers and thought leaders in their respective industries. They contribute to our academic work and the initiative in many and various ways. They inform faculty and researchers of relevant issues and challenges that are pertinent to the future of marketing in the business world. Critically, they collaborate with us on research that is both practically relevant and scientifically rigorous, helping us to achieve Oxford Said’s research mission. This research will help shape the future of marketing in an increasingly complex, technology-driven, and uncertain business landscape through evidence-based insights.

The Oxford Future of Marketing Initiative would like to thank our partners:

- Allianz Insurance plc
- Facebook
- General Assembly
- Kantar Group
- L’Oréal
- Mobile Marketing Association
- Nucleus Marketing Solutions
- PwC
- Teradata

Thank you for your support.