

# Publicis Groupe's Chief Growth Officer on IoT and Smart Homes

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**Blake Droesch**

**S**mart-home devices are on the verge of mainstream adoption, and with that comes the opportunity for marketers to gain deeper insights about their audiences through user data. In our “[Smart Homes 2020](#)” report, we looked at how marketers use smart-home technology to integrate brands with the internet of things (IoT) universe and how consumers may react to hyperpersonalized advertising inside the home.

But if you ask Rishad Tobaccowala, chief growth officer of Publicis Groupe, marketers shouldn't be thinking about how to use this technology to deliver ads. Instead, he says, they should be thinking about how IoT is fundamentally changing everyday life, along with the vast implications this will have on consumer behavior.

We spoke with Tobaccowala about the advancements in smart-home technology, the tech giants vying for control of the market, and what marketers need to be thinking about as we enter a new era of connectivity.

**In the past few years, what have been the most significant developments in the smart-home market?**

I would say the three biggest changes have been, one, the widespread use of things like Google Home and Amazon Echo. The second would be the use of Nest or other security-monitoring systems. And the third is enhanced coverage inside the home with wireless mesh networks like Eero, the company that was **acquired by Amazon in early 2019**. Now you have much stronger, deeper internet connections at home—voice-assisted devices in the house and monitoring devices outside the house.

### **Will voice control continue to be the main utility in smart-home technology?**

As you can see today, almost everybody who does voice focuses on six or seven routines. While there may be hundreds of Alexa skills, people stick to "Tell me the weather," "Play this music," "Tell me a joke." None of these are sophisticated routines. So to do something more advanced than voice makes no sense.

### **What smart-home technologies do you think the major brands in this space are likely to venture into next?**

Roughly 35% to 40% of the US economy is in three areas: healthcare, education and finance. Healthcare is the biggest, so Apple and Amazon, without a doubt, are going to look at the home as a way to deliver healthcare. When it comes to smart homes, don't think, "How do you turn on your television?" Think, "How do you monitor and receive healthcare?"

For education, look at business schools. For the first time, these programs are losing a significant amount of applicants. Why is that? Basically, it's because you're paying for a whole bunch of s--- that many people don't need—like football fields and tenured professors and everything else. Increasingly, you can get an amazing education at home. Think about high-quality screens in-home, the ability to do all kinds of interactive learning games, to dial in and simultaneously be with professors.

The key thing that these technologies do is they destroy the barriers of time, space and cost. And those are the three barriers we've basically

always dealt with: Can I get there? Can I get there now? Can I get there cheaply? These technologies are doing that, which is significant.

### **What needs to evolve in order to bring smart-home technology to this level?**

I have this belief that there are three connected ages. The first one was built around commerce and search, which Amazon and Google dominated from 1989 to 2007. The second connected age occurred between 2007 to about a year ago around social and mobile, which Apple and Facebook dominated. So, while the first age connected us to commerce and information, the second connected us to everybody all the time.

The third connected age is things connecting to things, which is the Internet of Things—data connecting to data, new ways of connecting—of which voice is the first one—and much faster ways of connecting, such as 5G.

### **Is there room for marketing in this third wave you're describing?**

The big thing with the advertising industry is we don't have the imagination for thinking about the future of business. We're thinking only about the future of communication. There are areas where we are going to have to shift our thinking. We need to think less about advertising and more about marketing and business transformation. How do we reconfigure our businesses to deliver products and services in this new world?

For additional insights on smart homes, eMarketer PRO subscribers can read the first installment of our two-part series:

**Report** by Victoria Petrock Dec 16, 2019

## Smart Homes 2020



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