



10 BIG MARKETING TRENDS TO KEEP YOUR EYES ON IN 2019

**(AND ONE THING YOU SHOULD NEVER FORGET,
EVEN THOUGH IT'S NOT "NEW")**

INTRODUCTION

This time of year, most companies are putting the finishing touches on their advertising budgets for the following year. They've reviewed the current year's marketing activities and tracked what has worked well—and perhaps, too, what has not.

It is one of the most important decisions you might make all year: how much do I spend on advertising next year, and how do we allocate the budget?

Your agency (if you have one) will help you prioritize, certainly. In addition to your agency's counsel, you should also have an idea of the trends shaping the industry to pinpoint those that make the most sense for your company.

In this white paper, we're reviewing 10 big marketing trends we've been tracking that show a lot of promise and undeniable opportunity. Keep in mind that some trends might not make sense for your particular business or industry. That's OK. This paper is meant to review some of the more significant trends making an impact across the board.

When we narrowed down our list to these particular trends, we noticed one thing that stood out as a central theme.

It's all about customer experience.

As we discuss each of these 10 trends with you, we'll give you a brief introduction to each trend; there is simply too much information behind each trend to go too much in-depth for the purposes of this paper. We'll also show you exactly how customer experience plays a role and why that's so important. And if you've been reading our blogs and social feeds at all, you've heard us preach about how important it is to prioritize customer experience.

If there's anything you do in 2019, make it that.

Now, on to those trends...

1

DIGITAL AD SPEND CONTINUES TO RISE AND OUTPACE TRADITIONAL

While we have not yet reached the end of the year, it's almost certain that digital ad spend will hit the \$100 billion mark by Dec. 31.

If it plays out as expected, it will be the first time digital ad spend has topped **\$100 billion**, according to the Interactive Advertising Bureau.

With consumers' (especially younger generations) adoption of—and preference for—digital and social platforms, this should come as no surprise. Combine that with new digital technologies and platforms that provide all the tools and information a consumer needs at their fingertips, and it's no surprise this shift is taking place.

Some of the more compelling stats we've seen?

- There was a **23 percent increase** in digital ad spend in the first six months of 2018 compared to that same period last year, equating to an additional \$9 billion in revenue.
- In that same period, **mobile ad revenue growth increased 42 percent** over the first six months of 2017

- Digital video commanded **\$7 billion in the first half of the year**, and mobile accounted for just over 60 percent of that staggering figure
- Each digital ad format experienced growth in the first half of the year
 - Social: 38 percent
 - Video: 35 percent
 - Audio: 31 percent
 - Display: 27 percent
 - Banner ads: 27 percent
 - Search: 19 percent

One of the big takeaways here is that the gap between consumer behavior and digital ad spend is getting smaller. "We're really looking at that as advertisers catching up to consumer behavior," said Sue Hogan, senior vice president of research and measurement for IAB.

2

PEOPLE-BASED VS. COOKIE-BASED ADVERTISING



It sounds so simple: market to people, not computers.

Cookie-based marketing and tracking has been around for an eternity, it seems, but there have been rumblings over the past several years that it's not as effective as it had previously been and maybe—just maybe—people-based marketing makes better business sense.

And it does.

The problem with cookie-based tracking is threefold:

1. Some browsers **block cookies** on mobile
2. Some Internet users have chosen to **use ad blockers** to remove ads from websites and also proactively clear cookies
3. Most (66 percent) **mobile devices don't accept cookies**, so you can't remarket those users because you don't know who they are. Not only that, but mobile has surpassed desktop in Internet usage, so you're missing out on a good chunk of the population who uses the Internet to search and shop.

These are some of the reasons remarketing has shifted to a more people-based approach, where a user's activity is tracked seamlessly across devices and browsers to give marketers a 360-degree view of that user's journey and the opportunities that exist for that brand to make a meaningful connection with that individual based on where they are in the funnel.

"Cookies are device specific, not people specific," wrote best-selling author and marketing influencer Neil Patel.

What could the benefits be to your business if you adopt a people-based approach? Successful implementation by some companies saw an increase in reach and ad impressions, improved click-through rates, a stronger ROI and a decrease in cost per acquisition, according to Patel's article.

Finally, cross-device tracking has become more important to be able to understand the true user journey. Today's agencies should have dedicated resources to evaluate and track cross-device interactions utilizing advanced analytics cross-device reports.

3

CONNECTED TV AND OTT ADVERTISING

"I've had it! It's time to cut the cord."

How many times have you heard that statement (or something like it) from a friend or colleague bemoaning their cable or satellite service?

Probably a lot.

In fact, according to Nielsen, two-thirds of Americans (or **224 million** of us) own at least one connected device, giving us the flexibility of watching a live program or a whole series on an over-the-top (OTT) app like Hulu or Netflix.

Looking ahead, it's estimated that 60 percent of U.S. consumers will watch connected TV at least once a month by 2022, according to eMarketer.

The same Nielsen report says Americans "are now streaming nearly **8 billion hours per month** on connected TV devices like Roku, Apple TV and Amazon Fire TV." Drilling down a bit

further, those 13 and older stream **more than an hour a day**, compared to about 36 minutes on a computer and 24 minutes on mobile devices.

So what does this new reality mean for advertisers, exactly?

Hulu's U.S. ad revenue stands at about **\$986.4 million** this year and is expected to top \$1.4 billion by 2020. While smaller, Roku still commands **\$152 million** in U.S. ad revenue this year and is expected to increase that number by more than \$500 million in the next two years to an expected \$701.7 million in 2020.

4

VOICE ASSISTANT ADVERTISING

Smart speakers and voice assistants are rapidly taking over our homes.

A report by IAB estimates that a quarter of U.S. homes have a smart speaker.

The most common reason for purchasing these speakers? Playing music, according to Smart Audio Report.

But a growing number of users are using these speakers to shop. According to that same IAB report, 25 percent of homes with a smart speaker have used them to make a purchase.

You probably have seen an Amazon commercial where consumers purchased products they were running low on through their Echo device. The accessibility and ease of use can be a stepping stone for increasing awareness, sales and revenue.

Just how prevalent are these voice assistants?

- **One-in-six U.S. residents** (16 percent) own a voice-activated smart-speaker, per Edison Research and NPR.
- Amazon and Google account for 94 percent of all smart speakers in use, per Strategy Analytics.
- According to Smart Audio Report, **57 percent say they have ordered an item through their smart speaker**, with households with children even more likely to have purchased through the speaker.

What is now called “voice commerce” is expected to grow by more than 1,900 percent (not a typo) between now and 2022, from \$2 billion to \$40 billion, according to Mobile Marketer.

5

VOICE SEARCH



“Hey Siri, where’s the nearest gas station?”

Voice search is one of the fastest growing methods of searching. Most smartphones include a virtual assistant that we channel these searches through, or we utilize one of the popular home-based assistants we talked about earlier.

By 2020, it can be expected that up to half of the searches we do will be through voice, and 30 percent of those will be through devices that don’t have screens, such as the Amazon Echo and Google Home. This includes everything from asking what the weather is before we realize we need to throw on a sweater to finding out your sports team lost by three, for their seventh consecutive loss.

How many voice searches are we talking about, exactly?

As of January 2018, there were an estimated **1 billion voice searches per month**, per Alpine.AI.

An important thing to remember here is that people use voice search much differently than text search.

If you’re looking for a great hotel in Dallas, you might ask Siri, “*What are the best hotels in Dallas?*”

On the other hand, when you type your query in your search bar, it might look like this: *Best hotels Dallas.*

Integrating both scenarios into your on-page SEO is critical to ensure you’re pulling users to your site no matter where they are: in front of a desktop or driving to work.

6

SEMANTIC SEO



Ever wonder how Google served up exactly the answer you were searching for, even if your question was vague or broad?

That's semantic SEO at play.

It's the ability to develop a piece of content that not only answers a user's query, but goes a step (or more) beyond and addresses potential follow-up questions a user may not even be thinking about.

When content is rich with relevant information that "swarms" a specific topic, it helps pull users into your website by appearing prominently in search results.

Simply put in an article in Search Engine Journal, semantic SEO is all about "...optimizing for the true intent of your users, not just answering a simple query... Doing so gives more depth to your content and provides more value. Google loves to send searchers to pages where they will find exactly what they're looking for."

In simple terms, semantic SEO is about creating content about a topic (broad), not a keyword (specific). Incorporating useful, meaningful information about a topic from all angles and directions will help pull users to your website as opposed to your competitor's.

Because of the amount of competition when it comes to highly desirable keywords and topics, it's important to create content that addresses a user's every possible need.

7

SOCIAL COMMERCE

Social platforms like Instagram and Pinterest are making it easier than ever for consumers to make a purchase from within the platform—eliminating the need to leave the platform, open up your browser, type in a URL and do an endless search until you find the product you were looking for. And no doubt getting frustrated at some point and abandoning your search altogether for that pair of pumps you spotted on Pinterest.

These social platforms know the value of a frictionless experience—one where the user is guided seamlessly along a journey to complete a desired action.

From “Shop the Look” pins on Pinterest to the new Shop tab on Instagram incorporating product stickers, retailers are looking for new ways to make it easy and convenient for social users to shop to their heart’s content right in the moment.

Not only is it fun and creative for brands and shoppers alike, but social commerce brings in billions in revenue.

An article on Shopify’s website earlier this year stated that consumers spent more than **\$6.5 billion** on social commerce purchases from the top 500 retailers in 2017 alone.

Consumer behavior is paving the way for retail’s future; big brands like Macy’s and H&M are closing down stores to focus more on their e-commerce efforts, including this emerging social commerce space.

8

SMARTER LIVE VIDEO



By now, you likely have seen (and possibly participated in, by liking or asking questions) a live stream event on Facebook. It may have been a behind-the-scenes peek at a new product about to be launched, a Q&A with an esteemed marketer or a post-game interview with the star quarterback.

Many brands today recognize the value of live streaming. It's expected to be a **\$70 billion market by 2021**, according to a May 2016 report by Research and Markets. That represents more than a **100 percent increase** in five years.

Here's just a few reasons why brands are taking to live streaming, according to TalkPoint:

- 81 percent of online users watched more live video in 2016 than in 2015
- 78 percent currently watch video on Facebook Live
- Facebook Live is currently the most popular platform for live stream video—surpassing YouTube
- 87 percent want behind-the-scenes access and would rather watch a live stream with more behind-the-scenes content than TV

One of the most fascinating trends we're seeing emerge with live streaming is the ability to integrate machine learning.

Let's say you're watching a live stream on Facebook featuring a reputable business leader sharing a "state of the state" of her particular industry. Throughout the live stream, a camera follows her as she steps onto stage and switches angles (using different cameras) depending on where she walks or gestures. As she refers to a slideshow reinforcing her points, the live stream is cued to show the slideshow as well.

This gives the viewer at home an experience like no other, as if he was right there in the room with her.

With more people gravitating to live video applications, be on the lookout for new features like this that appeal to savvy consumers.

9

PROGRESSIVE WEB APPS

If you've ever been prompted on your smartphone to "Add to Homescreen" when visiting a website, you've come across a progressive web app, or PWA.

The idea behind PWAs is to make a website look and feel like a mobile app, but the user doesn't need to download the app from the app store and can interact with the PWA even without an Internet connection.

As it turns out, smartphone users would rather not install an app.

These web applications "dramatically improve engagement, conversions, interaction, open rates for push notifications and opt-in," according to an article in Computerworld.

The same article referenced a success story with Pinterest, where its progressive web app showed a 50 percent increase in click-throughs and 40 percent increase in purchases for those who are on the site at least five minutes. Not only that, but the PWA actually outperformed the website and the mobile app.

Other big brands like Starbucks, Trivago and Lancôme have developed wildly successful PWAs that are showing higher engagement, time spent on site and purchases.



10

PERSONALIZED DIGITAL EXPERIENCES

You know how every time you go to Amazon, it seems to just know what you'd be interested in based on what you purchased last time?

Brilliant!

Amazon is a shining example of personalized customer experience.

It knows what you want, many times before you do.

That's the magic of artificial intelligence.

Most surprising, perhaps, is that the concept of AI has been around for decades.

It was first tossed around in 1956 when a group of scientists came together to discuss "the idea of programming machines to use language and solve problems for humans while improving over time," according to an AdAge article published in November with IBM. The article went on to explain how AI helps create more lasting relationships between companies and people:

"By helping marketers collect data, identify new customer segments and create a more unified marketing and analytics system, AI can scale customer personalization and precision in ways that didn't exist before. Connecting customer

data from sources like websites and social media enables companies to craft marketing messages that are more relevant to consumers' current needs. AI can deliver an ad experience that is more personalized for each user, shapes the customer journey, influences purchasing decisions and builds brand loyalty."

Forrester consultant Fiona Adler concurred. "Firms that succeed with personalization are proactive and intentional about it," she has said. "They treat personalization as an enabler of better interactions from the customers' view across their journeys. Rather than contemplating, 'How can my organization implement personalization?' they ask, 'What tasks and goals are users trying to accomplish, and how can personalization enable users to more seamlessly accomplish those?'"

The idea here is that one size doesn't fit all. Go beyond customer personas and think about their behaviors and actions to deliver an experience that is personalized and tailored to their specific needs.