Seven key trends in digital marketing

By Ben Evans

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Here are seven trends I reckon will dominate digital marketing this year...



(Source: Marketing Digital from the Vascomarques.net website, via Wikimedia Commons)

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1. **Digital media spend will eclipse all traditional media**

Growth in digital media spend in South Africa will continue to be driven by the explosive consumer growth in volume and duration of time spent online. The level of digital media spend, including search, display and native advertising, will grow year-on-year until it becomes bigger than print, TV, cinema, radio, and out-of-home combined. According to Group M research, leading global markets are already pushing up towards half of all spend being digital with UK at 50%, Sweden at 47% and Australia at 42%.

2. **Mobile advertising will come to dominate**

Globally, within digital advertising, mobile advertising is advancing rapidly, nearly doubling to $19.3bn between 2012 and 2013, according to the IAB. Mobile will not only be the fastest-growing part of the digital advertising arena, it will come to absolutely dominate. PWC predicts that mobile advertising (which includes all spending on mobile phones and tablets, excluding SMS and USSD) will see its share of internet advertising increase from 16% last year to 26% in 2017. PWC also recognises South Africans as more "predisposed to receive advertising on their phones than their global peers". Geo-fencing makes this a huge opportunity area for brands to get the right message to the right audience. Publishers and ad networks will introduce mobile-specific formats that meet the challenge of small screens. For example, Google has already introduced a format that allows users to ring firms whose ads pop-up when they search on a mobile device.

3. **Behavioural profiling/extreme targeting will become a default practice**

Direct marketing has been the discipline concerned with targeting the right message to the right consumer at the right time by overlaying different data sources to a customer or prospect base. Digital supercharges this discipline. The practice of targeting users with specific messages or experiences based on their location, interests, browsing history, purchase history, demographic group, interests and even social circle will become a wholly mainstream practice. A Google-sponsored study found that advanced behavioural targeting increased return on investment by 30% -50% - this will not be ignored in the race for competitive advantage. This discipline of extreme targeting within digital has been practiced mostly in search advertising, where the big players have been serving up ads hyper-tailored to users' interests for years. This opportunity is fast extending into the display arena. New targeting possibilities are evolving by mixing first- and third-party data to identify users as they move from site to site using a variety of technology such as cookies, beacons, e-tags and other tools.

4. **Programmatic buying will rise across all media**
Precise targeting will be increasingly practiced in real time using electronic marketplaces that will fundamentally reshape media planning and buying. Publishers, advertisers and intermediaries will bid for digital ads in an automated way connecting them with their target audience for a predetermined price at high speed. This will become the only way of buying across digital as well as traditional channels as they also become fully digitised.

Media planners will become masters of the algorithm, fine tuning automation rules to maximise conversion. According to research conducted by the IDC, approximately 20% of display advertisements in the US are already sold this way and by 2018 that figure is likely to rise to 50%.

5. **Content-driven marketing will grow**
As banner advertising becomes more commoditised and users demand more engaging experiences, brands will invest more in creating unique content rather than trying to create unique advertising. This, in part, will be driven by further growth in video consumption as well as the growing cynicism of consumers. In the US, digital-video advertising is forecast to grow by 43%, against a mere 3% for TV advertising. According to World Wide Worx 2014, 58% of SA brands are now utilising YouTube as a marketing channel. Within all the clutter, the big content challenge will be to engage not only using topics of inherent interest but also those that mean something in the context of the brand.

6. **Personal privacy will become an issue**
There is a direct relationship between the data available around a user and the ability of brands to deliver a relevant experience. Consumers on the whole accept this principle. However, as the consumer becomes more aware of the depth of data that is being collected about them, and as brands become more adept at exploiting it, personal privacy will come into sharp focus. It's likely that either legislation will be brought into effect or transparent/ethical policies will be published by brands wanting to build trust with their customers.

7. **Creativity will still matter**
The technological tsunami will not devalue the role of creativity but it will broaden what creativity means in the context of this new marketing arena. Consumers are seeing a massive amount of brand messaging now on social/digital media that puts a premium on quality, stand-out content to cut through all the noise. Creativity might reside simply in being a first-mover with clever use of new platforms and technology; or it might lie in being the fastest and smartest in catching on to a trending issue or news topic; or it could be in more traditional areas of design and copywriting and video production; or possibly through achieving true personalisation driven by smart new uses of data.

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