



DIGITAL MARKETING UP-TO-THE-MINUTE TRENDS – LESSONS FROM AN ONLINE SURVEY

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INTRODUCTION

Each year I try to give my personal thoughts on what will be interesting and important in the world of digital marketing and e-commerce for the year ahead. These are somewhere between trends and predictions. I haven't spent too much time on giving extensive justification for any of these. They are based largely on the many conversations and online surveys I have with industry influencers and practitioners. Where relevant I've tried to give links to further information if you want to delve deeper. I look forward to your thoughts and comments.

THE BIG PICTURE

When we look back at this period in, say, 40 years' time, how will it be described? We may not feel it now but it probably is a 'revolution' just as much as the industrial revolution was. But is it a 'digital revolution'?

That would be the obvious answer. But I think a more accurate answer would be a 'customer revolution'. We are seeing a reversal of the asymmetry of power between companies and customers; increasingly customers know more than the companies who sell to them.

It is true that 'digital' has enabled this shift. But digital, just like cloud computing, or big data, are merely enablers, not destinations, or answers, in themselves. The questions we should be asking ourselves are business, or customer, ones, not 'digital' ones. The answers are likely to include 'digital' but the greatest value is almost certainly in how we can deliver better customer experiences across channels. Digital will become pervasive to the point of near semantic extinction within businesses and job titles in the coming years.

According to most surveys, trends and predictions the following are hot topics in digital: social, data, mobile, customer experience, and content. But beyond their obvious tactical and executional opportunities and challenges I think they have much wider implications:

- Social – is really about transparency, about trust, about unmediated content and communications, about networks. This has profound implications not only for the way we communicate and the way we make buying decisions but also the ways we work.
- Data – not only enables us to make smarter, quicker, business decisions but gives us the raw materials and customer insight we need to craft increasingly personalised experiences across all channels, content and interactions.
- Mobile – is not just a channel, or set of devices and media, but reminds us that the digital and the physical, the local and the global, are not separate but coexist simultaneously. It is "mobile" that is the catalyst driving most thinking around "multichannel", "omnichannel", "integration".
- Customer Experience – of which 'content (marketing)' is arguably a part, is more than just making things look, or feel, better. It is a fundamental cultural and philosophical change for most businesses and, perhaps, the most important source of competitive advantage in the future. It is the most important part of what 'marketing' as a function should deliver if marketers are able to rise to the challenge.

Taken together these 'digital' trends are enabling new business models to flourish and demanding cultural changes within organisations. Digital is both a threat and an opportunity.

Whilst I do not predict any 'backlash' against digital in 2016 I do believe we'll see more talk about the customer - customer-centricity, customer experience, customer outcomes - and less focus on digital for digital's sake.

It is no accident that the most advanced digital players and thinkers are focused on what appear to be 'traditional' things. From retail giants going physical to the print-like design aesthetic and long-form journalism of Medium, launched by Twitter founders Evan Williams and Biz Stone. No-one would claim digital music isn't here to stay and yet vinyl sales are at their highest levels for 15 years. A digital organisation is one that focuses on the customer experience irrespective of channel and has a digital culture. If you haven't already, read Jeff Bezos' most recent letter to Amazon shareholders to see this in action. 2016, and beyond, should be the year of the customer and we should focus on how digital can best support that.



Marketers' Digital Priorities for 2015

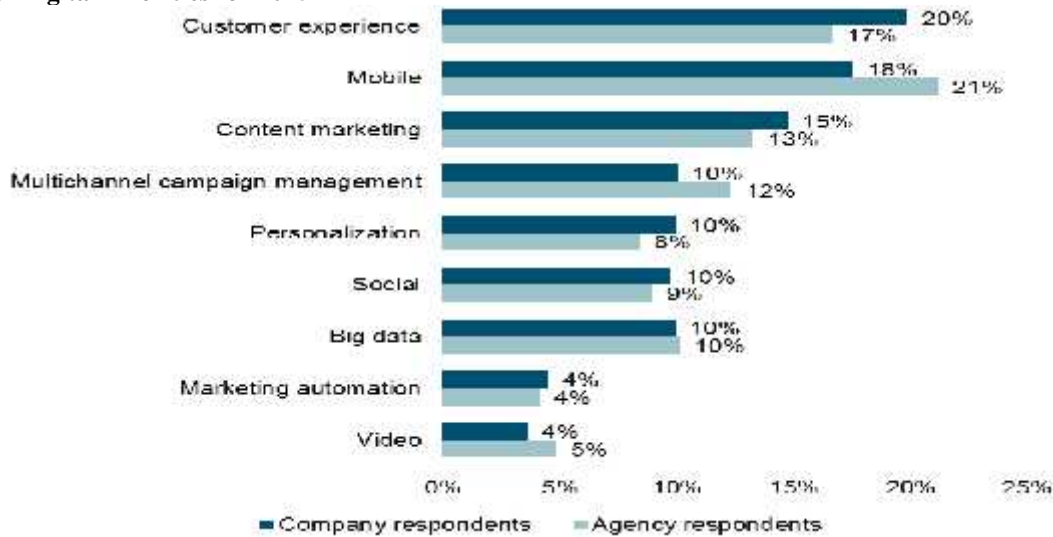


Figure 1: Results from 600+ votes in our 2015 trends poll – thanks if you took part!

As part of the previous point, 2016 will see increased internal focus on: how to be more agile; how to be more innovative; how to operate with a 'real time' or 'always on' mentality; how to get teams working more collaboratively, particularly marketing and technology; how to apply social internally as part of a 'social enterprise'.

Digital Marketing Trends - 2015

- Content Curation Tools
- Content Recommendation, Personalisation, Retargeting and Effectiveness Review Tools
- Content distribution services
- Integrated SEO, Content and Social Media Management?
- API service integration and Hubs
- User Engagement and value optimisation
- Actionable Analytics and intelligent analytics
- From Conversion Optimization to Experience Optimization
- Digital Channel Sales Optimisation
- Wearables, Augmented and Virtual reality

Most Commercially Important Digital Marketing Trend for 2015

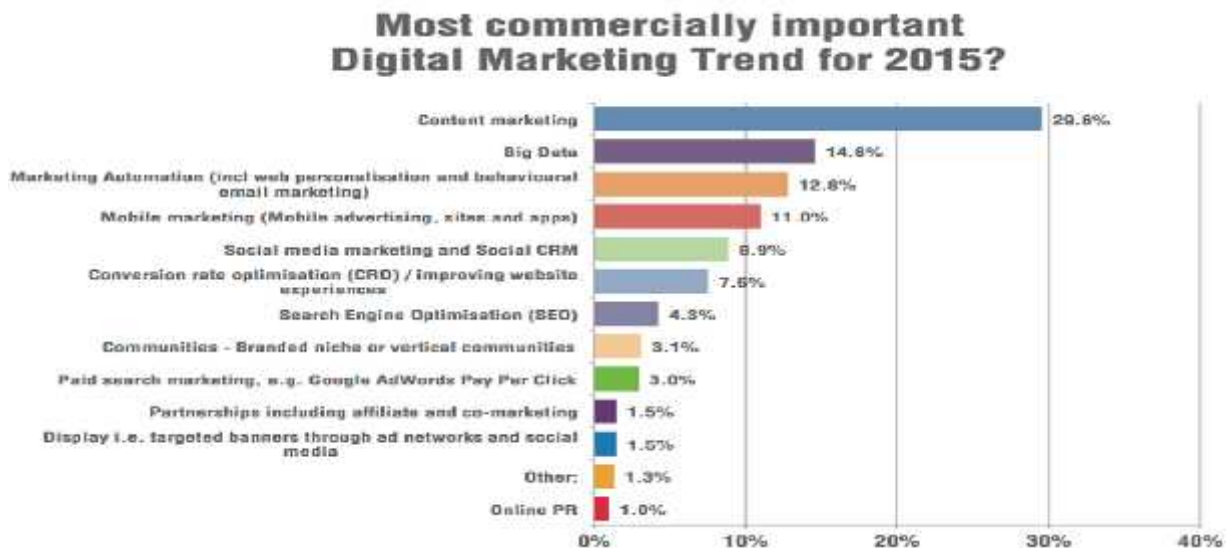


Figure 2: Results from 600+ votes in our 2015 trends poll – thanks if you took part!



How has technology support marketing in 2015?

Generation C's members are 'digital natives' who are always connected, communicating, computerised, community-orientated and always clicking. In general, they are realists and materialists as well as being culturally liberal, politically progressive and upwardly mobile.

They own a plethora of devices including smartphones, tablets, laptops and smartTVs which are regularly updated and replaced. Our research found that two thirds purchase a new gadget every year, with nearly 80% admitting to buying the latest model even when the old one still works.

DATA AND ANALYSIS

With businesses working towards increasing their data management capabilities, the time is ripe for the types of data that that can be gathered to expand. Whilst internet of things and mobile location data might provide new sources of information to enrich what marketers already have over 2016, social data has been available for a while. Whilst there are case studies of how social data has been used effectively, they are few and far between. There is plenty of data available: each tweet contains 31 publicly documented data fields for example. However I expect 2016 to see consumers taking steps to protect and control their identities online more than they have in the past. Cloud computing has lowered the costs, and barriers to entry, of all sorts of technology which is particularly exciting for smaller businesses who can now compete with the bigger players. Big data is an obvious example. Artificial intelligence has not been an area that smaller companies have been able to take advantage of to date. 2015 saw a lot of focus on attribution modelling and customer journey mapping. This was largely applied to the digital channels. In 2016 and beyond the challenge will be the measurement, analysis and insight around usage across multiple screens, of all sorts of sizes. In a similar way that various platforms are coming up with advertising formats and solutions that are designed especially for that platform, I expect 2016 to see those platforms also continuing to invest in, and evolve, the analytics and data solutions they provide. Analytics teams will need people who have specialist skills and knowledge in using these 'native analytics' offerings.

Ecommerce

There is no immediate prospect of ecommerce growth slowing down in the short-term, but the market is becoming more saturated as more retailers invest in online channels. Businesses are adopting CRO (conversion rate optimization) more than before. It may have taken some time but most retailers have now recognised the need to optimise for mobile and tablet users. However, just when mobile sites and apps seemed to be the answer, responsive and adaptive design came along. Geo-personalisation is another area where ecommerce sites can prosper. Using simple data on the customer's location and weather conditions can help ecommerce players target visitors more effectively. There are plenty of other 'basics' that many sites have yet to address.

Smooth and easy ('frictionless') payments mean more sales for retailers and we'll see more innovation in this area in 2014. Amazon, which knows the value of smooth and easily repeatable transactions, has the potential to make a massive impact with the introduction late last year of its 'Pay with Amazon' service, a rival to PayPal (who have 'Login with PayPal') and other alternative payment options.

Email and e-CRM

Email is still a winner in ROI and has capabilities other channels lack for users and marketers. That's the good news. The bad news is that response rates for many have been slipping, modestly for some, sharply for others. It's not the death of email that gets predicted every year, but it is a resetting that is actually good for marketing. The conversation around automation and behavioural email marketing in 2015 will be about why we get it wrong so often and how to get it right. It will be about how companies make the mistake of installing technology but not a team to make it work.

Perhaps email lost out budget-wise in 2012 to social media, or to content marketing in 2013, but every comparison between email and social (early days yet for content marketing...) is a knockout in the first round, with every metric shouting that email is a powerful driver of sales and customer acquisition, as well as nearly ubiquitous among online consumers. According to recent McKinsey data email is nearly 40 times more effective at acquiring customers than Facebook and Twitter combined and 91% of all US consumers still use email daily. The rate at which emails prompt purchases is not only estimated to be at least three times that of social media, but the average order value is also 17% higher.

Mobile

Mobile traffic has been on a steep upward curve for the past few years and, as mentioned previously, 2014 is set to be the year that smartphone activity overtakes desktop for many sites. However the introduction of 4G networks is greatly



improving the mobile web experience by enabling faster download and browsing speeds. As a result it's likely that there will be an uptick in revenue and conversions from smartphone shoppers in 2015 as people become more comfortable with m-commerce and the experience improves in a number of ways. The key challenge in 2015 will be proving to consumers and retailers that mobile payments are safer, cheaper and more convenient than cash and credit cards. I expect to see continued launches and experiments but no clear winner this year. Despite poor reviews for its Galaxy Gear smartwatch, Samsung is reportedly planning to launch a new version in April and we can expect to see a range of similar devices come to market.

Social

Social Marketing – this covers the PR, influencer, community, content, communications, data and analytics parts of 'social media' currently. This 'day to day' social media will still require a dedicated team.

Social Service – covers all of the social media elements that relate to customer service. In 2014 I expect to see this increasingly handled by the customer service function who have been trained in social, or hired the relevant capabilities.

Social Media – will be 'media' in the advertising/agency sense. As the major social platforms continue to push towards monetising their audiences and evolving their native advertising and lead generation offerings there will be an increasing need for specialists who know how to plan, buy, create content/creative for, measure and optimise this media. I expect in 2014 we will see agencies bolstering their offering in this area.

Delivery methods

The commonly used methods of Digital marketing that we have seen in the last couple of years are the following.

Display advertising

Display advertising conveys its advertising message visually using text, logos, animations, videos, photographs, or other graphics. Display advertisers frequently target users with particular traits to increase the ads' effect. Online advertisers (typically through their ad servers) often use cookies, which are unique identifiers of specific computers, to decide which ads to serve to a particular consumer. Cookies can track whether a user left a page without buying anything, so the advertiser can later retarget the user with ads from the site the user visited.

As advertisers collect data across multiple external websites about a user's online activity, they can create a detailed picture of the user's interests to deliver even more targeted advertising. This aggregation of data is called behavioral targeting. Advertisers can also target their audience by using contextual and semantic advertising to deliver display ads related to the content of the web page where the ads appear. Retargeting, behavioral targeting, and contextual advertising all are designed to increase an advertiser's return on investment, or ROI, over untargeted ads.

Advertisers may also deliver ads based on a user's suspected geography through geotargeting. A user's IP address communicates some geographic information (at minimum, the user's country or general region). The geographic information from an IP can be supplemented and refined with other proxies or information to narrow the range of possible locations. For example, with mobile devices, advertisers can sometimes use a phone's GPS receiver or the location of nearby mobile towers. Cookies and other persistent data on a user's machine may provide help narrowing a user's location further.

Web banner advertising

Web banners or banner ads typically are graphical ads displayed within a web page. Many banner ads are delivered by a central ad server. Banner ads can use rich media to incorporate video, audio, animations, buttons, forms, or other interactive elements using Java applets, HTML5, Adobe Flash, and other programs.

Frame ad (traditional banner)

Frame ads were the first form of web banners. The colloquial usage of "banner ads" often refers to traditional frame ads. Website publishers incorporate frame ads by setting aside a particular space on the web page. The Interactive Advertising Bureau's Ad Unit Guidelines proposes standardized pixel dimensions for ad units.

Pop-ups/pop-unders

A pop-up ad is displayed in a new web browser window that opens above a website visitor's initial browser window. A pop-under ad opens a new browser window under a website visitor's initial browser window.

Floating ad

A floating ad, or overlay ad, is a type of rich media advertisement that appears superimposed over the requested website's content. Floating ads may disappear or become less obtrusive after a preset time period.



Expanding ad An expanding ad is a rich media frame ad that changes dimensions upon a predefined condition, such as a preset amount of time a visitor spends on a webpage, the user's click on the ad, or the user's mouse movement over the ad. Expanding ads allow advertisers to fit more information into a restricted ad space.

Trick banners

A trick banner is a banner ad where the ad copy imitates some screen element users commonly encounter, such as an operating system message or popular application message, to induce ad clicks. Trick banners typically do not mention the advertiser in the initial ad, and thus they are a form of bait-and-switch. Trick banners commonly attract a higher-than-average click-through rate, but tricked users may resent the advertiser for deceiving them.

News Feed Ads

"News Feed Ads", also called "Sponsored Stories", "Boosted Posts", typically exist on Social Media Platforms that offer a steady stream of information updates in regulated formats (i.e. in similar sized small boxes with a uniform style). Those advertisements are intertwined with non-promoted news that the users are reading through. Those advertisements can be of any content, such as promoting a website, a fan page, an app, or a product.

This display ads format falls into its own category because unlike banner ads which are quite distinguishable, News Feed Ads' format blends well into non-paid news updates. This format of online advertisement yields much higher click-through rates than traditional display ads

Interstitial

An interstitial ad displays before a user can access requested content, sometimes while the user is waiting for the content to load. Interstitial ads are a form of interruption marketing.

Text ads

A text ad displays text-based hyperlinks. Text-based ads may display separately from a web page's primary content, or they can be embedded by hyperlinking individual words or phrases to advertiser's websites. Text ads may also be delivered through email marketing or text message marketing. Text-based ads often render faster than graphical ads and can be harder for ad-blocking software to block.

Search engine marketing (SEM)

Search engine marketing, or SEM, is designed to increase a website's visibility in search engine results pages (SERPs). Search engines provide sponsored results and organic (non-sponsored) results based on a web searcher's query. Search engines often employ visual cues to differentiate sponsored results from organic results. Search engine marketing includes all of an advertiser's actions to make a website's listing more prominent for topical keywords.

Search engine optimization (SEO)

Search engine optimization, or SEO, attempts to improve a website's organic search rankings in SERPs by increasing the website content's relevance to search terms. Search engines regularly update their algorithms to penalize poor quality sites that try to game their rankings, making optimization a moving target for advertisers. Many vendors offer SEO services.

Sponsored search

Sponsored search (also called sponsored links, search ads, or paid search) allows advertisers to be included in the sponsored results of a search for selected keywords. Search ads are often sold via real-time auctions, where advertisers bid on keywords. In addition to setting a maximum price per keyword, bids may include time, language, geographical, and other constraints. Search engines originally sold listings in order of highest bids. Modern search engines rank sponsored listings based on a combination of bid price, expected click-through rate, keyword relevancy and site quality.

Social media marketing

Social media marketing is commercial promotion conducted through social media websites. Many companies promote their products by posting frequent updates and providing special offers through their social media profiles.

Mobile advertising

Mobile advertising is ad copy delivered through wireless mobile devices such as smartphones, feature phones, or tablet computers. Mobile advertising may take the form of static or rich media display ads, SMS (Short Message Service) or MMS (Multimedia Messaging Service) ads, mobile search ads, advertising within mobile websites, or ads within mobile



applications or games (such as interstitial ads, “advergaming,” or application sponsorship). Industry groups such as the Mobile Marketing Association have attempted to standardize mobile ad unit specifications, similar to the IAB's efforts for general online advertising.

Mobile advertising is growing rapidly for several reasons. There are more mobile devices in the field, connectivity speeds have improved (which, among other things, allows for richer media ads to be served quickly), screen resolutions have advanced, mobile publishers are becoming more sophisticated about incorporating ads, and consumers are using mobile devices more extensively. The Interactive Advertising Bureau predicts continued growth in mobile advertising with the adoption of location-based targeting and other technological features not available or relevant on personal computers. In July 2014 Facebook reported advertising revenue for the June 2014 quarter of \$2.68 billion, an increase of 67 percent over the second quarter of 2013. Of that, mobile advertising revenue accounted for around 62 percent, an increase of 41 percent on the previous year.

Email advertising

Email advertising is ad copy comprising an entire email or a portion of an email message. Email marketing may be unsolicited, in which case the sender may give the recipient an option to opt out of future emails, or it may be sent with the recipient's prior consent (opt-in).

Chat advertising

As opposed to static messaging, chat advertising refers to real time messages dropped to users on certain sites. This is done by the usage of live chat software or tracking applications installed within certain websites with the operating personnel behind the site often dropping adverts on the traffic surfing around the sites. In reality this is a subset of the email advertising but different because of its time window.

Online classified advertising

Online classified advertising is advertising posted online in a categorical listing of specific products or services. Examples include online job boards, online real estate listings, automotive listings, online yellow pages, and online auction-based listings. Craigslist and eBay are two prominent providers of online classified listings.

Adware

Adware is software that, once installed, automatically displays advertisements on a user's computer. The ads may appear in the software itself, integrated into web pages visited by the user, or in pop-ups/pop-upunders. Adware installed without the user's permission is a type of malware.

Affiliate marketing

Affiliate marketing (sometimes called lead generation) occurs when advertisers organize third parties to generate potential customers for them. Third-party affiliates receive payment based on sales generated through their promotion. Affiliate marketers generate traffic to offers from affiliate networks, and when the desired action is taken by the visitor, the affiliate earns a commission. These desired actions can be an email submission, a phone call, filling out an online form, or an online order being completed.

Content Marketing

Content marketing is any marketing that involves the creation and sharing of media and publishing content in order to acquire and retain customers. This information can be presented in a variety of formats, including blogs, news, video, white papers, e-books, infographics, case studies, how-to guides and more.

Considering that most marketing involves some form of published media, it is almost (though not entirely) redundant to call 'content marketing' anything other than simply 'marketing'. There are, of course, other forms of marketing (in-person marketing, telephone-based marketing, word of mouth marketing, etc.) where the label is more useful for identifying the type of marketing. However, even these are usually merely presenting content that they are marketing as information in a way that is different from traditional print, radio, TV, film, email, or web media.

Online marketing platform

Online marketing platform (OMP) is an integrated web-based platform that combines the benefits of a business directory, local search engine, search engine optimisation (SEO) tool, customer relationship management (CRM) package and content management system (CMS). Ebay and Amazon are used as online marketing and logistics management platforms. On



Facebook, Twitter, YouTube, Pinterest, LinkedIn, and other Social Media, retail online marketing is also used. Online business marketing platforms such as Marketo, Aprimo, MarketBright and Pardot have been bought by major IT companies (Eloqua-Oracle, Neolane-Adobe and Unica-IBM).

How to write a digital marketing strategy

We know that writing a digital marketing strategy can be daunting, but don't worry – you're not alone. First and foremost, the most important piece of advice I can offer, don't rush into any digital marketing activities before you've done your homework. You need to know who your audience is and understand their online habits. What type of websites do they visit? When are they online? Which social media platforms do they use? You also need to understand the stability of the market place and how best to reach your target audience.

- Analysis – what do you know about your business and the environment you're operating within?
- Establish a baseline
- Objectives – what do you want to achieve?
- Strategy
- Campaign Plan
- Budget – where are you spending your hard earned cash and what are you getting in return?
- What next?

Latest Developments and Strategies

As digital marketing is dependent on technology which is ever-evolving and fast-changing, the same features should be expected from digital marketing developments and strategies. This portion is an attempt to qualify or segregate the notable highlights existing and being used as of press time.

Segmentation: more focus has been placed on segmentation within digital marketing, in order to target specific markets in both business to business and business to consumer sectors.

Influencer Marketing: Important nodes are identified within related communities, known as influencers. This is becoming an important concept in digital targeting. It is possible to reach influencers via paid advertising, such as Facebook Advertising or Google Adwords campaigns, or through sophisticated sCRM (social customer relationship management) software, such as SAP C4C, Microsoft Dynamics, Sage CRM and Salesforce CRM. Many universities now focus, at Masters level, on engagement strategies for influencers. To summarize, Pull digital marketing is characterized by consumers actively seeking marketing content while Push digital marketing occurs when marketers send messages without that content being actively sought by the recipients.

Online Behavioural Advertising: Online Behavioural Advertising refers to the practice of collecting information about a user's online activity over time, "on a particular device and across different, unrelated websites, in order to deliver advertisements tailored to that user's interests and preferences

Collaborative Environment: A collaborative environment can be set up between the organization, the technology service provider, and the digital agencies to optimize effort, resource sharing, reusability and communications. An important consideration today while deciding on strategy is that the digital tools have democratized the promotional landscape.

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