Econsultancy

THE DIGITAL OUTLOOK

WHAT'S HOT FOR MARKETERS IN 2019?

in association with

Olapic beyond

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Published January 2019

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The Digital Outlook: What's hot for marketers in 2019?

Introduction

Introduction

Welcome to the first Digital Outlook report published by Econsultancy. This hype-free report draws on expert opinion in industry, as well as our research, to pick out topics that marketers may not have engaged with in 2018, but perhaps should do in 2019.

The topics discussed are mostly tactical, highlighting emerging technology and processes across disciplines such as search marketing, data and analytics, and ecommerce.

To some extent Econsultancy has created similar content in previous years through predictions on the Econsultancy blog, but we have decided to bring everything together into one free-to-download report. We hope it will not only be easier to read, but will also allow us to better compare our thoughts year-on-year.

There is no compulsion to read the whole report – you can jump to the topic most relevant to you, or one that you might want to know more about. If you do read cover-to-cover, please note that this report is not intended to be a comprehensive list of trends, nor indeed a marketing playbook.

If you have any comments on the report, please get in touch via social media or our website – we would love to hear from you.

The Digital Outlook: What's hot for marketers in 2019?

1. Data and analytics

1.1. Machine learning: Hype vs. potential

Hype vs. potential

Potential applications of machine learning are so broad it is perhaps absurd to devote a small section of this report to the topic. As Parry Malm, CEO of AI martech company Phrasee, puts it, “No one knows the true potential of the AI industry as it stands.”

He continues: “There are solutions and commercial opportunities that people haven’t even thought of yet. Trying to forecast the market size now would be like trying to forecast the market size for the internet in 1989. No matter what you guess, you’ll be wrong.”

However, the number of businesses that are currently using the technology is fairly small – Econsultancy’s 2018 Digital Trends report found only 15% of respondents were using AI.

Marketers should assess how they can benefit from machine learning, but also whether they are in a position to do so.

Ben Barrass, head of data and analytics at Centaur Media, offers a note of realism to cut through the AI hype in the marketing press:

“AI and machine learning is becoming more widely understood and used, and barriers to access are becoming lower due to tech expansion and agency availability – but it’s still probably miles away for marketers. A bit like blockchain, marketers should understand the concepts and if they find out that something they need to do falls into the realm of machine learning, then be prepared to spend some cash and call in the experts.

“Outsourcing will become more prevalent rather than trying to hire the people in house, whilst businesses scramble for the skills around data engineering to be able to work effectively with those partners.”

"AI and machine learning is becoming more widely understood and used, and barriers to access are becoming lower due to tech expansion and agency availability – but it's still probably miles away for marketers."

Ben Barrass, head of data and analytics, Centaur Media

How are marketers using machine learning?

Machine learning refers to statistical approaches that train models which incrementally improve the output of a system.

This sort of predictive modelling is used to increase the likelihood that a customer will take a particular action – this could be opening an email, clicking an ad or viewing a recommended product. Marketers are therefore mostly using machine learning in their push for personalisation – fuelled by a desire to improve sales, the customer experience, or ideally both. To put it simply, data scientists will use a variety of data – purchase history, demographics, browsing behaviour etc. – in order to predict a next best action such as what message to send, in what medium, at what time, and so on.

Colin Lewis, CMO at OpenJaw Technologies, warns in Econsultancy's Embracing Predictive Marketing report that marketers need to consider whether this technology is best employed purely with sales in mind: "If you're using predictive modelling for the right reasons, you're doing it to build the best customer experience. The problem is when personalisation is designed around the idea that you only want to sell more stuff. Then you would be just as well giving the customer an offer."

Lewis is right that some of the best uses of machine learning are about improving experience, for instance Spotify's recommendations, but it cannot be ignored that most uses in retail, for example, are all about sales.

This is nothing new either. Helena Andreas, CMO at Nordea, says in the same report:

"For me, predictive analytics is not new. I worked at Tesco 15 years ago, and Tesco was advanced at the time because it had a vast database, and we used that to try to do smart analysis to figure out what customers would do if we put this on promotion or that on promotion, if we sent coupons, if we raised the price or did 'two-fers'. We looked at what would yield us the most profit and the biggest sales in the end.

"So, the concept of predictive analytics is not new, but the scope and the opportunity of achieving it in a much more sophisticated way has grown enormously. This is partly because now we have all the digital channels, so people leave their information wherever they go, but also because it's only relatively recently that computing power has become strong enough to actually take that information, and in theory, use it for something."

Case studies

A classic use of machine learning in retail is to better predict customer lifetime value and then allocate marketing spend accordingly (through retargeting, for example). ASOS is one business doing this, and its data scientists have published papers on their work. One paper, Customer Lifetime Value Prediction Using Embeddings by Ben Chamberlain et al., details how the ASOS CLV model incorporates four broad classes of data – customer demographics, purchase history, returns history and web and app session logs (the latter being the biggest data set).

Other examples of machine learning in marketing include specific software on the market. Phrasee is an email marketing platform that can be integrated easily with the martech stack and allows marketers to optimise email subject lines (and now social ad copy, too). The technology Phrasee has developed is a natural language generation system, which can generate millions of copy variants and 'learn' what customers are most likely to respond to.

Saul Lopez, customer lifecycle lead at Virgin Holidays, tells the Econsultancy blog how the company has used Phrasee to optimise subject lines, seeing an immediate increase in open rate of two percentage points (with no change in campaigns or segmentation). Given that Virgin Holidays sends 22 million emails every year, this is not insignificant. Furthermore, AI-optimised campaigns have seen a 33% increase in web traffic.

Challenges

Legacy issues

In Econsultancy's Embracing Predictive Marketing report, Nordea CMO Helena Andreas describes a typical example of legacy data issues:

"There's no lack of willingness to share data; the issue is a number of legacy systems which are kind of a spaghetti. We have got pockets of data in lots of different parts of the organisation, and even trying to analyse something very simple like churn versus customer satisfaction is very challenging because it's difficult extracting the data and getting the systems to speak to each other."

Data quality

Garbage in, garbage out.

Time

Jack Daniel, director of digital at Molson Coors, also quoted in Embracing Predictive Marketing explains that "the benefit of AI in predictive analytics is that the longer you do it, the better it gets…

"There's this hump where you have got to let AI run its course. And you have got to expect it not to be perfect upfront. And, in the short term, that can be uncomfortable. It also might not come to fruition in year one. And it might not start paying out until year two or three."

Content

As machine learning is employed in the service of personalisation, it is fairly obvious that marketers need to consider how this will impact their content output. Will marketers be required to write many more versions of messaging, or create much more website content?

In ecommerce, maybe not – the content may be drawn from the product catalogue, and dynamic creative may be employed in programmatic advertising, for example. For email optimisation, some of the content variations will be changes to individual words and phrases that a machine can manage, given some input from the marketer.

However, there is no doubt marketers have more work to do in terms of oversight of content, if not creating more for the model to test and learn with.

The future of AI in marketing

As Barrass alluded to in the introduction, there is some way to go until businesses have enough embedded expertise and technology to enable machine learning to be brought to bear on personalisation and optimising sales.

Beyond this, five to 10 years from now, the question may become to what extent AI will help shape creative. Can machines be copywriters, art directors and video producers?

The more timely questions for marketers is how much of the execution of marketing becomes automated – will marketers need to spend less time testing and optimising and more time setting strategy or problem solving? That, though, is some time away, given that thus far, more technology has only meant more complexity.

Further reading

A Marketers' Guide to AI and Machine Learning

Further learning

Machine Learning & AI for Marketing

1.2. Proving ROI: Marketers report to the business

Marketers under pressure

Ben Barrass, head of data and analytics at Centaur Media, claims:

"Marketers will succeed when they can actually report what they are doing in terms the business can understand."

What businesses understand best is the bottom line, and the question of how much money marketing makes is one which, more often than not, involves the C-suite. The 2018 CMO Survey found that nearly 60% of marketing leaders report pressure from the CEO or board to 'prove' the value of marketing.

It is no wonder marketers are under pressure. Take social media, for example, which accounts for almost 14% of 2018 marketing budgets, according to the same survey, but the impact of which, only 25% of marketers admit they can show.

The most sobering chart, though, shows the responses when CMOs were asked 'What factors prevent your company from using marketing analytics more often in decision making?'. Over the past 18 months, the proportion of CMOs who say analytics 'does not offer sufficient insight' has increased from 14.9% to 29%. Nearly 19% say analytics is 'overly complex', up from 9.5%. While the majority (56.3%) say there is a 'lack of process/tools to measure success through analytics', up from 32.2%.

What can marketers do to confidently prove value to the business through the use of analytics?

How to prove ROI

Ignore the noise

The difficulty with social media in particular is a surfeit of top-of-funnel metrics that do not necessarily prove ROI. What exactly is the value of a 'Like'? Ignoring the noise is something marketers need to do whatever the channel.

Bring data and people together

Practitioners interviewed for Econsultancy's Maximising the ROI of Marketing report stress the importance of centralising data. It could be via a data warehouse or data management platform (DMP). In an ideal world, this data should encompass as many sources as possible, including, for example, online, offline, CRM, mobile app and point of sale.

However, bringing data together is easier said than done. In Econsultancy's Fundamentals of Marketing Measurement guide, Lucy Foster, global lead digital measurement and performance at Unilever, details the challenges they have faced:

"The key challenge for us is that digital data has grown up so rapidly, it's difficult to know where in the organisation it should sit; it's across everything. Technology can do whatever you want it to do, but people and process are the fundamentals that need to be addressed in any project where you're trying to pull together data."

Short- and long-term thinking

In the customer centricity section of this report, Mike Jeffs, client services director at Edit, is quoted as saying that the art of anticipating customer needs is often "lost in the world of acquisition focused marketing".

The same short-term focus within an organisation can prevent marketers and analytics specialists from proving ROI. Long-term benefits to brand equity and customer relationships can be underestimated.

As Econsultancy's Maximising the ROI of Marketing report states: "While marketing expenditures hit the P&L immediately, it may take some time before certain programmes or channels begin to generate positive ROI, and that is why finding a good balance between both short-term and longer-term calculations is crucial."

The report continues: "CFOs will often be under pressure to deliver quarterly earnings, and so it is important that digital marketers have clarity on longer-term goals too. This will help a brand in its move towards customer lifetime value analysis, where return happens over time."

SMART objectives

Analytics activity needs to be tied to business objectives, and these need to be 'SMART' – specific, measurable, actionable, relevant and time-bound. For example,"we are doing X because we believe it will increase brand recall among the target market by 10% over the previous quarter".

This is descriptive analytics 101, but without it success cannot be defined or turned into a revenue forecast. Performance against these objectives can be used to diagnose problems and course-correct for future activity. This iteration is necessary for marketers to demonstrate responsibility.

Data needs context

Data, even in a single customer view, does not equal insight. Note this quote attributed to baseball player and coach Bobby Bragan: “Say you were standing with one foot in the oven and one foot in an ice bucket. According to the percentage people, you should be perfectly comfortable.”

Econsultancy’s Fundamentals of Marketing Measurement guide advocates “understanding your customers’ interactions with your brand in context” to help “predict what they will do next.”

“To be indicative of consumer intent, data needs to measure end-to-end user journeys and enable businesses to identify and segment similar behaviours: reaching beyond the ‘what’ and towards explaining the ‘why’.”

Be wary of reporting and know 'your number'

Steffan Aquarone, CEO of Paygora, says: "Stop obsessing with trying to get the answer to life, the universe and everything on a single dashboard and instead send your board of directors on a training course in digital analytics, and lobby for digital and brand value metrics to be added to your balance sheet."

Econsultancy APAC researcher and consultant Jeff Rajeck, writing on the Econsultancy blog, also warns of the pitfalls of reporting. "Marketing reports," he writes, "offer useful indicators of marketing performance, but they are typically full of jargon and incomprehensible to executives."

He goes further and says that exploratory analytics, though valuable to the business, can also be difficult for non-marketers to appreciate: "Few people outside of marketing care about the details of market segments or channel performance."

The mindset that marketers and data practitioners need to adopt is most eloquently described by author Thomas Barta, who, writing in Marketing Week, gives marketers three suggestions in order to become more accountable:

1. "Know your number. Every marketer in this world needs to know how much revenue they are helping to create. Not clicks, not likes – true demand. Like the weather, you won't know exactly. But you gotta have a forecast. You gotta have a number."

2. "Get into the revenue camp. Show your number. Talk about your number. If people in your firm believe your work is pure cost, they'll ask you to do less of it. If people believe your work leads to revenue, they will want you to do more of it."

3. "Make selling your purpose. Imagine you help your company sell more contracts, ship more boxes, move more [units]. In that case, chances are more people get jobs, more innovation gets funding."

"What is the alternative to analytics?" asks Jeff Rajeck. "Telling senior management that marketers decide how to spend company profits using previous experiences, intuition and industry 'best practices'?"

It is clear that marketers need to prove their worth to keep their seat at the top table. Analytics is an integral part of proving ROI.

Further reading

The Fundamentals of Marketing Measurement

Maximising the ROI of Digital Marketing

Further learning

Masterclass: Advanced Analytics Training

The Digital Outlook: What's hot for marketers in 2019?

2. Customer experience

2.1. Customer centricity: Making it happen

The customer experience landscape

Although the notion of customer centricity may seem a slippery one, in 2019 and beyond it is a vital notion for businesses to grasp. Whether it is a push to create a customer-centric culture, or a more specific focus on customer experience management, the time is now.

Steffan Aquarone, CEO of Paygora, says of customer experience, "If you've not solved this, be prepared to innovate or die in 2019."

Is there any context to support Aquarone's assertion of 'now or never'? Marketing Week recently reported on the annual KPMG Nunwood Customer Experience Excellence index, which rates brands on six metrics: personalisation, time and effort, resolution, integrity, expectations and empathy. The index shows a move to the middle ground – the scores for brands at the top of the table, for example John Lewis, Lush and M&S, are fairly stagnant, but organisations lower down in the table are showing improvement, accounting for a small (0.7%) increase in overall average score. David Conway, director at KPMG Nunwood, told Marketing Week that "[the top brands] are struggling to keep up with the escalation in [customer] expectations."

In other words, it has been the better part of two decades since Amazon introduced one-click ordering, and consumers are increasingly expecting multichannel experiences to be seamless. In many cases, these expectations have seemingly changed quicker than businesses can react.

Mike Jeffs, client service director at Edit, explains that "brands need to pay much closer attention to what customers want and anticipate their needs, an art that has been somewhat lost in the world of acquisition focussed marketing."

Paul Rouke, founder of CRO agency PRWD, concurs, pointing out that "customer-centricity – as it becomes more embedded within the way a business operates and prioritises their investments – delivers increased commercial return and shareholder value."

Rouke cites statistics shared in Bryan and Jeffrey Eisenberg's book 'Be Like Amazon, Even a Lemonade Stand Can Do It':

"Forrester Research has a Customer Experience Index, where they rate public companies in the S&P 500. In 2007 and six years later in 2013, they looked at the top 10 and bottom 10 rated public companies in the CX Index. Their analysis showed that overall the S&P 500 Index was up 14.5% at the end of those six years. When Forrester looked at the stock price of the bottom 10 'Customer Experience Laggards' from 2007, their stock price was down, minus 33.9%. When it looked at the stock price of the top 10 'Customer Experience Leaders' from 2007, their stock price was up 43%. This represents a stock market swing between these two groups of companies of 76.9%."

How to make customer centricity happen?

A chief customer officer (or CMO as proxy)

Of course, the ideal for any business is a truly customer-centric culture within every department.

Newly created chief customer officer (CCO) roles can be found at companies such as Pret A Manger, the BBC, Just Eat (where CMO was replaced by CCO), and Transport for London (where marketing director was promoted to customer director).

As Marketing Week notes, there is more than just anecdotal evidence:

"According to data compiled by recruitment consultancy Talecco, the CCO is on the rise. In 2014, just 14 UK companies had a customer chief but by early 2017 that number had risen to 90, with 46% of those introduced in the previous 12 months."

It may be that the CCO and CMO are roughly equivalent. Indeed, Econsultancy's Guide to Customer Experience Management (CXM) survey finds that it is the marketing department that most often leads the customer experience agenda in businesses (cited by 23% of brands and 35% of agencies) and it is the CMO (or equivalent) who tends to be the closest to the customer for the majority (55%) of agencies' clients and more than two-thirds (35%) of brands.

Another Econsultancy survey, The Customer Data Imperative, found that successful companies are those that give the marketing department responsibility for the customer.

Companies defined as customer data leaders are six times more likely than their mainstream counterparts to strongly agree that the marketing function within their business 'owns' the customer, with (66%) of leaders strongly agreeing with this statement compared to 11% of mainstream businesses.

Marketing Week explains that one of the reasons for the rise of the CCO is "more businesses need marketers who can focus on an end-to-end customer journey, rather than just on marcomms and brand building."

The challenges involved in customer journey optimisation include data gathering and interpretation, something reported as a significant challenge to implementing a CXM strategy for 50% of client-side marketers responding to Econsultancy's Guide to CXM survey.

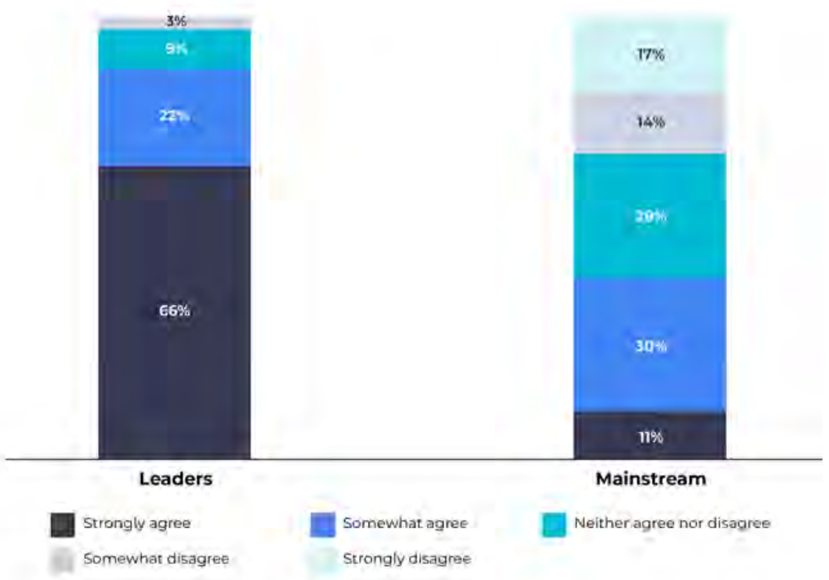
A direct line with the consumer

Doing more user research does not represent a panacea, though it is advocated by many experienced practitioners in digital.

Alongside one-to-one user research, businesses should have a direct line open with the customer. This can be done through a customer panel, something Atom Bank does to test enhancements to its mobile app journeys. Chief marketing officer Lisa Wood explains in Econsultancy's Guide to Customer Experience Management:

"We can send them prototypes of journeys and get them to walk through those journeys. We give them tasks to do, and can track, monitor and get their feedback every step of the way so we know whether we have improved a journey or made it more complicated."

Leaders versus mainstream
'The marketing function within our business 'owns' the customer' - agree or disagree



Source: Econsultancy survey The Customer Data Imperative

Flat structure/multidisciplinary teams

As customer experience is often undermined by data silos and lack of communication, Matt Lacey, performance director at agency Code Computerlove, advocates a flatter organisational structure or establishing cross-disciplinary teams:

"Rather than having a strategy team or research team in one corner, and design and development in another part of the building, we work in close-knit multidisciplinary teams where we have analysts, researchers, designers, developers and product owners all in one team to ensure the insights we get from the data are feeding straight back into what we're building for clients."

"Listening to and learning from your customers and potential customers is a timeless mindset for business leaders."

Paul Rouke, founder, PRWD

The future of customer experience

The customer experience imperative is not new but it gets more pressing every year. Of course, there are many tactical areas that represent the (near) future of customer experience – some, such as chatbots, voice and progressive web design, are covered in this report – and businesses should not ignore these.

But, as Paul Rouke at PRWD says: "Listening to and learning from your customers and potential customers is a timeless mindset for business leaders."

It may also be the case that amidst a martech revolution, this strategic mindset can set marketers apart in 2019. Ben Barrass, head of data and analytics at Centaur Media, comments:

"For all the talk of marketers taking on tech skills, there will be an increased value placed on marketers who 'specialise' in brand and understanding the customer and the business, and they should not feel they are failing because they aren't yet data managers, or automation specialists. They have been overlooked recently and their value will be once again recognised."

Further reading

[A Guide to Customer Experience Management]

Further learning

[Masterclass: Customer Experience Training (CX)]

2.2. Chatbots: Case studies show potential

The chatbot landscape

Chatbots got interesting in 2018.

Rob Weatherhead, head of agency at Fastweb Media, notes: “Many companies... are using chatbots to drive sales through what was initially a customer service/ support channel.”

Using a chatbot for customer service is a complex proposition because, done with sophistication, it may involve CRM integration and a broad remit that makes the task of ‘teaching’ the bot a daunting one. The range of queries that a customer could throw at an ‘ask me anything’ customer service chatbot is massive – natural language processing is far from perfect and certainly not an off-the-shelf solution. Furthermore, a holistic customer service bot would also have to get to grips with a large archive of content on the back end.

Knowing these difficulties, every business that has launched a chatbot has done so with an understanding that a narrow focus makes for an easier project and a bot with a lower error rate. That is why many chatbots have been fairly gimmicky decision trees with little or no free text input – more about PR, fan engagement and a bit of fun, rather than operational gain. Jamie Oliver, for example, developed a chatbot that returned recipes when users inputted food and drink emojis.

However, more impressive chatbots have emerged of late, particularly in retail – decision tree bots that guide customers to a purchase and are making sales while support staff sleep. This is not to say that true chatbots are an unrealistic venture, just that sales provides a more manageable entry point with less immediate imperative for machine learning resource.

Focus can be found in a customer service bot, and of course it does not have to do everything. Dr Nicola Millard, head of customer insights & futures at BT, explains in Econsultancy’s Marketer’s Guide to Chatbots:

“Chatbots can help to take the transactional and routine questions out of the chat channel and better route queries to agents for more complex issues. This mirrors the introduction of IVR [interactive voice response] into the phone channel and provides an up-front triage and steer model that frees up human agents to do the things that, typically, machines are not so good at doing, such as conversation, empathy and creativity.”

If businesses already manage a high volume of (staffed) web chat, there is obviously an opportunity for automation. That is why Vodafone’s TOBi is in a sweet spot – a chatbot focused on sales and simple customer support in the telecoms sector (where customers could be characterised as fed up with waiting on hold).

Why chatbots?

Chatbots can:

1. Improve customer experience, for example better Net Promoter Scores and conversion rates

2. Reduce operational cost

3. Free up human customer service agents to deal with complex tasks

Marketers should consider whether a chatbot will deliver these three outcomes for their business.

Case studies

TOBi

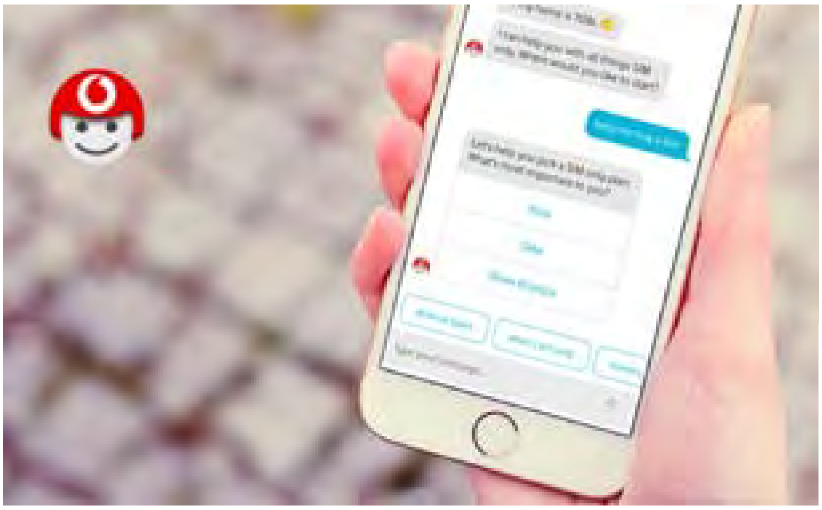
Vodafone launched TOBi in April 2017, partly powered by LivePerson and IBM Watson, and is available via the Vodafone app (as part of messaging, i.e. live chat) and the Vodafone website (as decision tree ecommerce experience).

At first, the chatbot helped with basic account enquiries and troubleshooting (similar to the triage discussed earlier by Dr Nicola Millar), but in July 2017 Vodafone began to offer SIM-only plans for purchase through TOBi. In the following year, this was extended to new handsets, where complexity is greater because of the range of upfront payments available.

Speaking at the Festival of Marketing in October 2018, Vodafone's head of digital Jon Davies shared some of TOBi's results:

- conversion rate +100% compared to website (traditional ecommerce)
- transaction time -50% compared to website (with abandonment rates markedly lower)
- usability score >90/100, highest of anything we have got
- touchpoint NPS >65 (getting close to contact centre levels).

Vodafone is continuing to experiment with further integration between TOBi and backend data, allowing it to answer questions about customer accounts, but also to serve as an agent assistant (effectively a knowledge management tool). There are also plans to roll out kiosks in store that allow people to use TOBi to carry out transactions such as pay-as-you-go top-ups.



Vodafone is experimenting with further integration between its TOBi chatbot and backend data

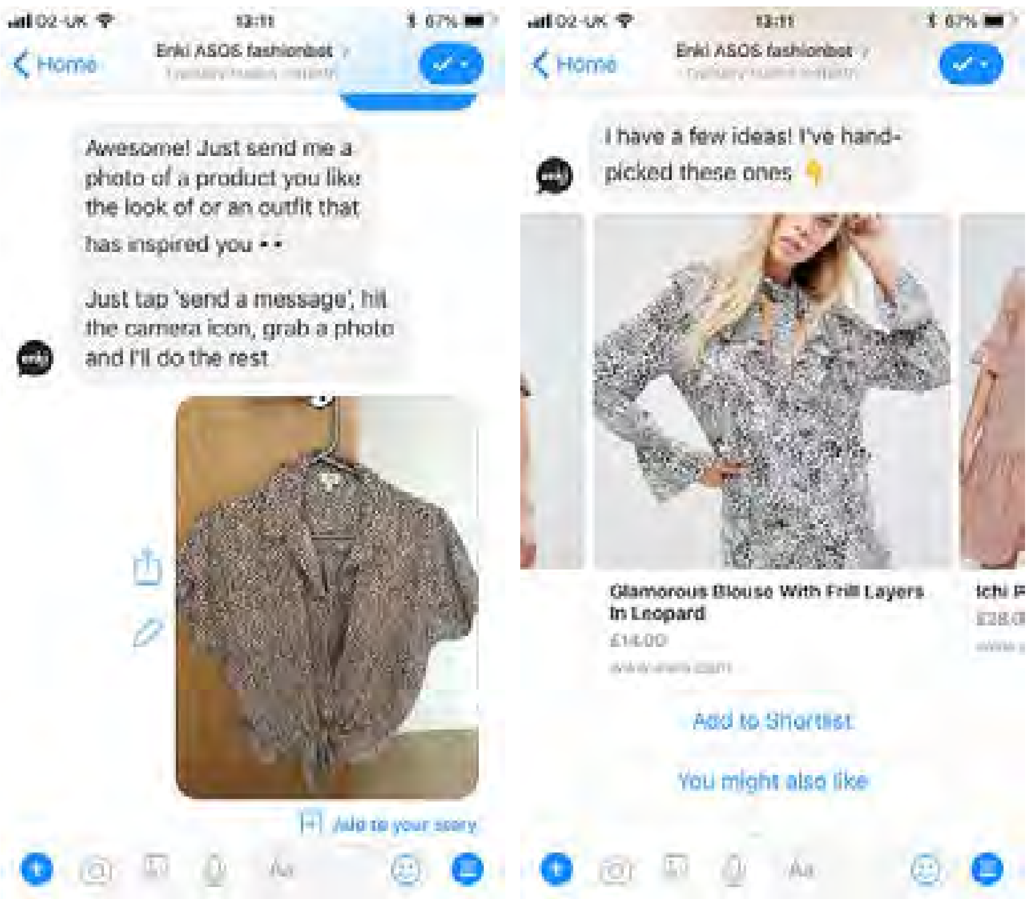
Enki

In summer 2018, Asos launched a chatbot called Enki, which is available through Facebook Messenger and now Google Assistant.

Like the TOBi sales experience, Enki does not allow free text entry but it does have machine learning functionality, namely visual search called Style Match – a feature originally designed for the Asos app. Users can take a photo of clothing and Enki will find similar items in the Asos catalogue.

Econsultancy writer Nikki Gilliland suggests this feature makes the chat experience feel like being served by a personal shopper. This function is especially useful given Asos's large number of SKUs.

Although users cannot buy via the chatbot, they can log in with their Asos credentials and add items to their shortlist. There is also a 'you might also like' button that surfaces recommendations, a 'not for me' button, the option to set a budget or to ask for a particular brand.



Asos chatbot Enki has visual search capability called Style Match

"The best chatbots typically deal with a narrow and deep area, which has a lot of stable data associated with it."

Dr Nicola Millard, head of customer insights and futures, BT

Gilliland describes Enki as a "pretty addictive UX".

Advice for developing a chatbot

Jon Davies at Vodafone gives four lessons from building TOBi, which serve as useful advice for anybody setting their own chatbot strategy, particularly those planning to use natural language processing. They are paraphrased as follows:

1. Transparency breeds trust
Bots must admit they are bots. Transparency is crucial to building trust with users. Vodafone found customers were far more polite and abuse levels dropped when TOBi was upfront about its true nature.

2. Build confidence
Gradually build a chatbots use case. Throw too much at it too soon, Davies says, and customers will not believe your bot is that good. There is also the dual benefit that narrow focus can improve the product. BT's Dr Millard says: "The best chatbots typically deal with a narrow and deep area, which has a lot of stable data associated with it."

Vodafone's Davies, in Econsultancy's A Marketer's Guide to Chatbots, describes how new roles emerged as TOBi developed:

"As TOBi has evolved and as customer engagement with TOBi has grown, we have needed to resource more people to be able to support the expansion of the various different use cases that TOBi can support. New roles have really started to blossom because of this, such as AI product owners, conversation UX designers, as well as different content management roles. Content curated for TOBi is distinctly differently from content curated for our website. The way that we have all our FAQs written on the website have had to be adapted to ensure that TOBi can play those back in a conversational, meaningful way."

3. Nurture a personality
Vodafone has played with the language TOBi uses, and it helps to make the interaction more fun.

4. Provide agent support
Do not leave your bot to its own devices. Achieving a seamless transition between chatbot and a human advisor has been a major focus for Vodafone.

The future of chatbots

In Econsultancy's chatbots guide, Isabel Perry, head of technology at Byte London, a company that creates chatbots, gives a prediction as to where the technology is leading:

"In 10 years' time, conversational interfaces will exist beyond your mobile. In the mid-term, chatbots will be an ever more important part of CRM and customer engagement. What everyone is waiting for is the million-pound bot. One brand that really commits to it and decides that this is where all their comms start and end. Once there is a use case like that, people will see the true power of having it as their core comms channel."

In the same report, however, Dr Millard at BT offers some perspective about the risks of machine learning, with businesses having to exercise prudence:

"Deployment of machine learning at the back-end is somewhat riskier [than in the front-end solely for NLP] – which is why many organisations (particularly in regulated industries) are using hard-coded decision trees rather than learning systems. The notion of learning from multiple customer interactions is entirely doable – but what the 'right' answer is may be a matter for discussion."

The takeaway for businesses in 2019 is to determine the business case, ensure enough resource is available, and slowly expand scope.

Further reading

A Marketer's Guide to Chatbots

Further learning

Improving Customer Experience with Chatbots

2.3. Personalisation: Tech plus strategy

Why personalisation matters

Why is personalisation particularly pertinent in 2019? Although email and website content has seen sophisticated segmentation and dynamic content for some time, the incorporation of machine learning optimisation into a range of martech solutions is impacting strategy.

Businesses are realistically planning how to change their messaging (both content and medium) based on behavioural data from multiple channels.

However, personalisation is ultimately about delivering greater relevance to customers with the right message at the right time in the right channel. Customers have also come to expect a more personalised experience from brands they engage with, particularly as Facebook, Google, Apple, Amazon, Netflix and Spotify have raised the bar by delivering personalised recommendations.

Econsultancy's 2018 Optimization report found that four in five (80%) company respondents say they have experienced an uplift in conversions since implementing personalisation (supply-side executives, an impressive 92%). On average, those who reported they have experienced an uplift say they have seen rises of 16% over the past 12 months.

Other benefits of personalisation may include increased average order value through effective cross-selling and upselling. Personalisation can improve customer experience, entice customers to spend more at each stage of their journey and increase customer lifetime value and improve marketing ROI. According to Harvard Business Review's article 'How marketers can personalize at scale', personalisation can increase the efficiency of marketing spend by 10% or more.

What to consider when delivering personalisation

With regard to implementing personalisation, marketers need to be careful to start with the basics. How does personalisation help achieve business goals?

Once marketers understand the 'why', Raj Balasundaram, VP solutions and strategic services at Emarsys, claims on Econsultancy's blog that every marketer has to answer four further questions: Who? What? When? and How?

"That's fundamentally what personalisation does. Who is the customer? What am I going to say to them? When, or in what context? And how am I going to deliver that message?"

He adds: "The four questions need to be answered at an individual level, and they need to be answered every time we contact the person and without thinking about what channel we're going to send to."

Cara Wilson, digital marketing manager at Pure360, also writing on the Econsultancy blog, outlines the following seven principles that underpin an intelligent personalisation strategy:

1. A seamless experience: To ensure personalisation enhances (rather than disrupts) customer journeys, it must work across devices and channels. It cannot sit in silos.

2. Contextual relevance: To personalise in a way that is relevant, you need to understand the context of your products and how this fits with customer context.

3. Behavioural based personas: Rather than targeting people based on demographics, consider how people behave and what this tells you about what might engage them.

4. Real-time messaging: Personalisation should enable your brand to react in real time.

5. Dynamic content: Part of being real time. Machine learning can help determine what the best content for each customer is based on behaviour.

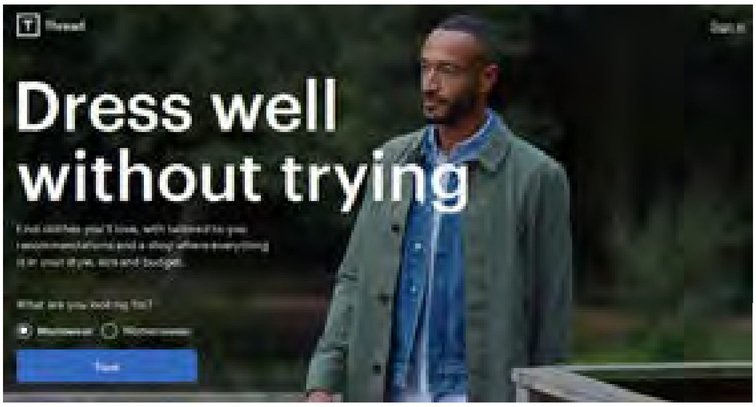
6. Think 'how', not just 'what': Intelligent personalisation does not just consider what to personalise, but how to personalise – what is the right creative?

7. Be invisible: To avoid creeping out your customers, ensure that your personalisation is an integral (but preferably invisible) part of the customer experience.

Although personalisation can be creepy when it is not done right, there are of course businesses that are explicit with their personalisation.

Retailer Thread.com has built its entire proposition around tailoring its recommendations. Customers are paired with stylists who can provide shopping advice through the website experience. Thread uses machine learning to help stylists achieve this at scale.

New visitors are asked to answer a number of questions about their favourite brands, what kind of looks they like, the prices they typically pay for different clothing items, size information and more. In some ways, this acts as an alternative to faceted navigation.



Thread.com has built its proposition around tailoring recommendations

Away from subscriptions, in the more conventional world of ecommerce, L'Occitane is a brand trying to elegantly incorporate recommendations into its shopping experience. New shoppers browse the website as normal, and after a few minutes, an icon in the bottom right corner will alert the user to 'New suggestions for you'. This notification then turns into a little red dot until the user opens and views their suggestions, which are personalised over time.

L'Occitane uses a notification to alert shoppers of new product suggestions

With Epsilon's 2018 research 'The Power of Me' revealing that 80% of consumers indicate they are more likely to do business with a company if it offers a personalised experience, there is a solid case for businesses to be delivering personalisation in 2019 to stand out from their competitors and to meet consumers' rising expectations.

Further reading

[2018 Optimization Report]

Further learning

[Getting to grips with Personalisation]

Sponsored Content

2.4. Future AI: The rise of empathetic machines

By Jenai Marinkovic, chief technology and security officer, and Kim Turley, director of innovation & experimentation, Beyond

About Beyond

Beyond helps brands identify growth opportunities, develop new products and services, transform user experiences, and plan for sustainable innovation. With studios in London, San Francisco, New York, and Austin, its client roster includes companies such as Google, Samsung, 21st Century Fox, Gap and Just Eat.

About the author

Jenai Marinkovic is Beyond's chief technology and security officer and is responsible for Beyond's global technology services. This includes the global strategy, design, operation, delivery, protection and defense for all of Beyond's technology services, capabilities and ecosystems.

From smartphones, social media, music streaming and navigation apps, to voice assistants and smart home devices, artificial intelligence is already proving its value in our everyday lives.

Today's AI excels at tasks that require hard skills: gathering and synthesising straightforward information to make decisions. It is accurate when analysing data to report results, whether that is traffic on the roads to help a steady flow of vehicles, or market rises and falls to make trading decisions.

Although it involves upfront investment, AI does not expect a break from work – unlike its human counterparts – and produces results 24 hours a day, which reduces costs and increases productivity. And while to err is human, to be consistent is within the fabric of AI.

With its potential to make trading decisions at speeds that humans are simply incapable and its ability to interpret medical images more accurately, in the short term it is already starting to replace hard-skill jobs such as finance analysts and radiologists.

However, this is just the tip of the AI iceberg. We are on the cusp of the fourth industrial revolution and when AI realises its full potential, we will see widespread changes across almost all industries.

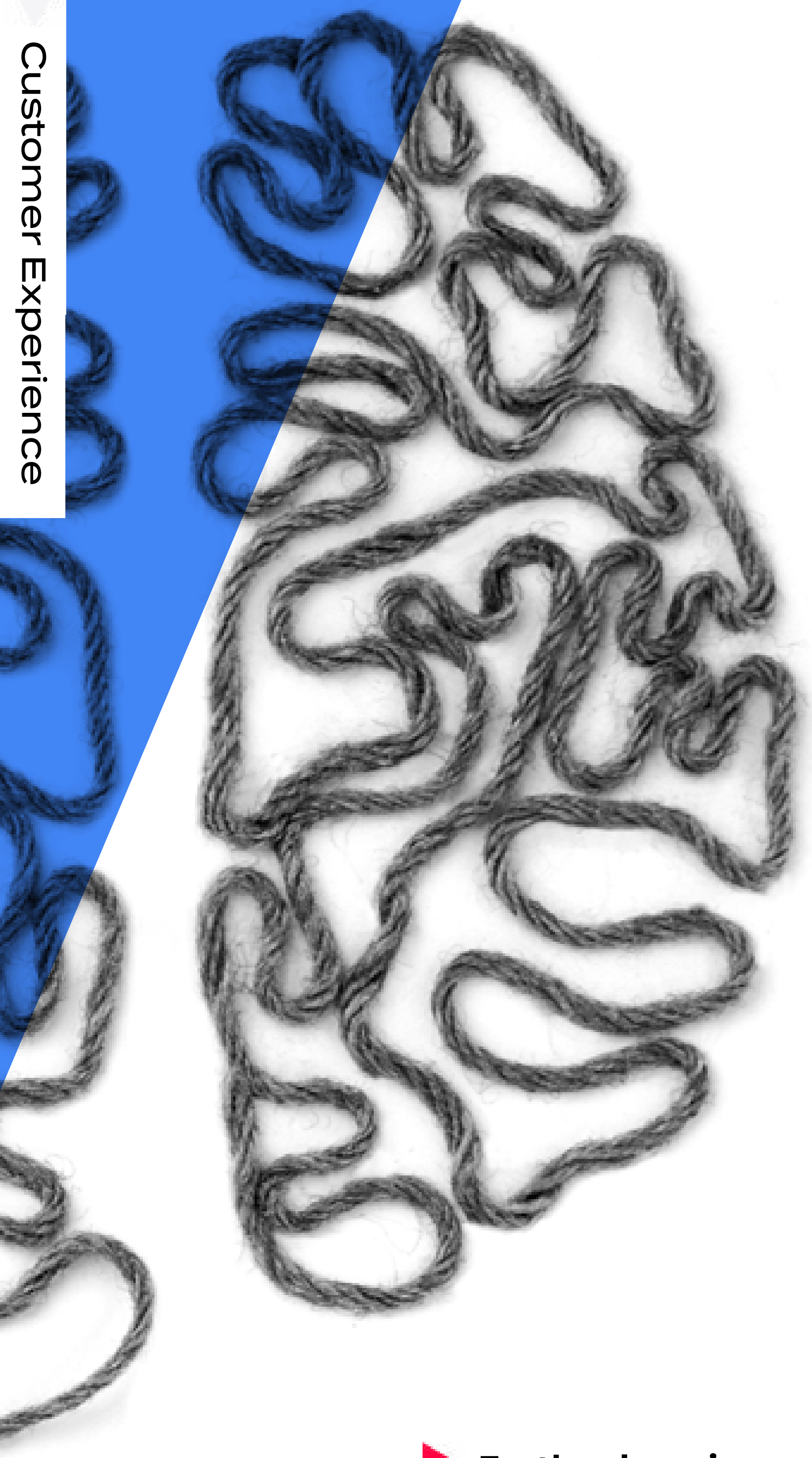
Currently, as AI is more effective at particular tasks, rather than full workflows, it can be frustrating for users: just think how many people end up losing patience with Cortana and Alexa.

The empathy gap

The biggest limitation is that AI cannot yet convincingly go beyond anticipating people's needs, to also show empathy. It is this struggle for machines to operate with emotional intelligence that has held AI back. In times of trouble, confiding in your AI assistant is unlikely to bring comfort.

Robotics researchers at Massachusetts Institute of Technology have found that humans interact better with robots that respond to emotions on our faces. However, teaching machines soft-skills such as responding to feelings and communicating with nuance is a huge challenge. The main limitation comes from humans themselves: we do not have enough understanding of diversity in human mindsets and lack self-awareness of our own vulnerabilities. This makes it difficult – and in some cases impossible – for AI's teachers to convey to machines how people really think and feel.

The industry is showing a growing awareness of the need to develop artificial empathy, or 'AE'. But most of the research surrounds teaching AI services to be empathetic, without being mindful that AI's teachers need more sensitivity and understanding of human culture and emotional need, before machines can echo them. In future, we are likely to see more collaboration between specialists such as psychologists and technology practitioners to teach a deeper understanding of how humans feel.



What is coming next

Over the next two years, we will continue to see AI take over tasks that involve analysing data to report results. However, there will be increasing connections between AI and humans, with chatbots used throughout the service industry, helping people quickly reserve restaurant tables, navigate forms, or acting as digital personal assistants.

AI is already being used to learn from a company's best performing workers, and teach others to emulate their success by Cresta, a company run by a team from Stanford University. In years to come, the use of machines to improve performance in this way will become commonplace.

One of the most exciting developments that we expect to see in the longer term is a series of breakthroughs that give AI better emotional intelligence, which will transform jobs and the workforce. This is something to which future-facing companies are already devoting their efforts, and technology leaders in communication, language and understanding of human intention will lead this second wave in AI.

It places the emphasis on humans to increase our understanding of ourselves: as we grow in empathy, so will machines and AI will realise its full potential. Compassion has never been more important – and that is a great thing for society.

Once machines start understanding the nuance of human interaction, and that 'I'm fine' can mean anything from 'I'm well' to 'I'm furious', they will be able to offer meaningful support to care workers, therapists, and even marriage guidance counsellors.

Further learning

[Machine Learning & AI for Marketing]

The Digital Outlook: What's hot for marketers in 2019?

3. Ecommerce

3.1. Progressive web design: The end of the app?

A brief introduction to PWAs

Progressive web apps (PWAs) are web apps that load like web pages. They feel like a hybrid of the two because they can be added to the homescreen, used to push notifications, be accessed offline, but also be shared by URL, are device agnostic and can be indexed by search engines.

PWAs do this using an app shell, which is the minimal HTML, CSS, and JavaScript required to power the user interface. The first time you load the app, the app shell is cached on your phone. On subsequent visits, this app shell is loaded quickly from the local device cache, reducing the volume of data that needs to be freshly downloaded. This makes PWAs great for performance, without the restricted functionality of Accelerated Mobile Pages.

Google's open-source Lighthouse Tool can be run against your webpages and will provide a PWA audit score.

PWA over native app?

Native apps are under threat, both from chatbots but more immediately from PWAs.

Stuart McMillan, deputy head of ecommerce at Schuh, suggests some retailers may find progressive web app features are the best way to cater for the majority of customers:

"A good bet for 2019 would be for those in ecommerce with responsive websites and native apps to plan to sunset the apps by mid-2020, so start introducing PWA features over the next year. While native apps are a good choice for retailers with high engagement rates (I would class this as users visiting at least once a fortnight), most retailers will struggle to get an install base that is a high percentage of their mobile traffic. Combine that with mobile traffic, which will be three quarters or more of their total traffic, and big steps need to be taken to create better experiences on mobile that address the vast majority of those users."

The picture of poor native app engagement that McMillan paints will be familiar to many multichannel retailers. But it's not a case of either/or with PWAs and native apps. Fairly obviously, those retailers with engaged native app users will continue to benefit from a performance advantage and access to more device features, and may choose to investigate PWAs at the same time.

The future of ecommerce web design

The benefits of prioritising PWAs over native apps include flexibility and speed of development.

Schuh's McMillan comments:

"The future looks like a mobile-first responsive website, with progressive web app features layered on top. Features like offline functionality are great for offering an app-like experience, and even if you're not offline it can make the site faster. Of course, like any feature, you need to consider 'what is the added value' for the consumer. For me, the other major benefit of this strategy is that it can simplify your development pipeline, which may represent either a significant cost saving or the opportunity to move even faster with delivering innovation. Maybe you could half your time to market for every new feature? What extra revenue might this be worth?"

Caution is advised, however, especially as, according to David Chung writing for Search Engine Watch, "there could be a need to pre-render pages server side in order to get crawled" and developing PWAs should be done "iteratively, slowly building newer features and testing at different build stages."

This is perhaps common sense and something that McMillan expands on with his own visualisation of how PWAs can layer functionality on to an ecommerce website.

McMillan explains: "I see websites as layers, where features and functionality are built on solid basics. So, don't rush to get to all-PWA, give yourself time to get your house in order. Make sure your foundations are solid for growth."

How PWAs can layer functionality on to an ecommerce website

Source: Stuart McMillan

"The future looks like a mobile-first responsive website, with progressive web app features layered on top. Features like offline functionality are great for offering an app-like experience, and even if you're not offline it can make the site faster."

Stuart McMillan, deputy head of ecommerce, Schuh

Examples of progressive web apps

There are many examples of PWAs, with the most commonly cited found in the world of publishing. Twitter's mobile website is a PWA, as is that of the Washington Post.

Ecommerce marketplaces Alibaba and Flipkart are two of Google's ecommerce case studies, boasting impressive results.

Flipkart's PWA delivered a 70% increase in conversions, 40% higher re-engagement rate and data usage reduced threefold. Alibaba has seen similar increase in conversion rate, with 14% more monthly active users on iOS and 30% on Android. An 'Add to Home Screen' prompt resulted in users re-engaging four times more often than other mobile users.

Further reading

[User Experience and Interaction Design for Mobile and Web]

Further learning

[Getting to grips with PWA]

3.2. Visual search: Beyond function to inspiration

Visual search goes mainstream

Visual search technology has been around for more than a decade, but owing to recent advances in machine learning, we are only now beginning to see its real potential.

In short, visual search is the process of using an image (rather than text) as a query to find more information about it or images that are similar. This is not the same as an image search, which finds images based on keywords.

As it stands, there are a few major players within the visual search landscape, with Google arguably setting the bar. At the Google I/O conference in 2018, the company announced an update to its image recognition app. It was revealed that Google Lens technology will be integrated into cameras in flagship Android devices rather than living in a separate app, meaning users will be able to discover information about an object in real-time simply by hovering over it with their camera.

Meanwhile, Microsoft has also launched its own visual search function for Bing, similarly allowing users to search for information from photos taken on their smartphone. This is particularly interesting, as Microsoft removed its original visual search product in 2012 due to lack of user uptake. With the technology now catching on, Microsoft is clearly intent on catching up.

Why should retailers get involved?

Although visual search technology can be a valuable commodity for search engines, online retail is the industry most excited by its potential.

First and foremost, this is because visual search helps to streamline the discovery process, allowing consumers to find hard-to-describe items on ecommerce sites.

If an online shopper is looking for a dress they have already seen on Instagram, for example, they would traditionally have to enter keywords to describe it. These keywords are likely to be general ('long-sleeved black dress'), which could make the results extensive and potentially irrelevant. In contrast, searching based on a screenshot of the dress (or a photo of similar item) would not only be quicker, but more likely to return relevant results based on the unique detail identified in the image.

As well as helping 'spearfishers' as they are known – i.e. shoppers that already know exactly what they want to buy – visual search can also aid those looking for inspiration. A user might discover additional items featured in an image, or be inspired based on other visual cues.

The tool can also solve another common issue associated with online shopping, known as the 'discovery problem'. This occurs when a user becomes overwhelmed by the amount of choice on an ecommerce site, and ends up abandoning the session rather than going on to buy. In this instance, visual search helps to narrow down the number of items on offer, and leads consumers further down the path to purchase.

Visual search case studies

Pinterest

Pinterest has invested heavily in visual search, largely to enhance its status as a shopping platform rather than just a social network and discovery site. Its 'Lens' technology allows users to search for pins based on photos taken on their smartphone camera.

Since it launched in 2017, the tool has evolved to include a number of new features.

'Lens your look' allows users to include photos alongside text-based searches, with the added combination making the experience feel more like using a personal shopper or stylist. The user has flexibility, not limited to either visual or text-based search, but whatever feels right in the moment.

Alongside this, Pinterest has expanded its partnership with ecommerce site ShopStyle to feature even more shoppable items on its network, and in turn further encourage users to convert.

In February 2018, Pinterest revealed that Lens had grown significantly since its launch, with more than 600 million visual searches being carried out with Lens every month, marking an impressive increase of 140% year on year.

Asos

Asos is one of the best examples of retailers using visual search, with its tool improving the already high-quality UX of its app.

'Style Match' allows shoppers to search Asos's catalogue of products using a photo they have taken or an existing one on their smartphone. Again, this means that users are inspired rather than overwhelmed by the retailer's huge inventory. (It reportedly has over 85,000 SKUs on its site). The tool also gives Asos the opportunity to upsell and cross-sell by recommending related and similar items.

Interestingly, Style Match also involves elements of personalisation. Users are already invested enough in the brand to download the app, meaning they are also likely to be repeat shoppers. This allows Asos to utilise its data to offer more relevant visual search results – refined to include brands and price-points that are best suited to the individual.

This is where visual search truly holds value for shoppers, as it not only aids inspiration, but the type of inspiration that users are more likely to enjoy.

How can retailers capitalise on visual search?

With the likes of Google, Bing, and Pinterest adding visual search functionalities, it is up to retailers to capitalise on third-party search results. One way to do this is through image optimisation, which might have previously taken a back seat but is now becoming a key SEO focus.

This practice involves optimising image metadata, including target keywords in image titles as well as alt tags. Structured data is also important, such as the Google-approved schema mark-up which helps the search engine to identify and categorise image content.

Apart from optimisation, another avenue for retailers to consider is advertising. On Pinterest, this takes the form of promoted pins (which are served to users in visual search results). The evolving nature of Lens means that advertisers can increasingly provide more relevant ads, as well as capitalise on the fact that users tend to be more open to product recommendations while in the search and discovery phase.

Finally, for retailers willing to invest further, there is the option to build and launch in-app visual search tools. Alongside Asos, other retailers have proven there is real value here. Recently, José Neves, CEO of retail brand Farfetch, told Digiday that customers who use its visual search tool spend more time in its app than other customers. Similarly, after seeing high levels of user adoption in beta mode, Home Depot has moved its own visual search tool front and centre in its mobile app.

The future of visual search

As image recognition technology improves, it is surely only a matter of time before we see even more retailers invest in visual search at scale.

Not only does the technology solve sticky on-site issues such as user abandonment (owing to lack of inspiration or too much choice), but it also presents bigger opportunities in terms of visual data and advertising.

Most importantly, there appears to be clear demand for the technology from a consumer perspective. With the aforementioned success of existing tools, plus a report by visual search company Visenze reporting that 62% of millennials are most excited by visual search to help them discover products when using mobile devices, it may be time for retailers to investigate.

Further reading

Visual Search: A Guide for Marketers

Further learning

Masterclass: Visual search

3.3. Amazon: More opportunities for retailers

Amazon in 2018

Amazon is constantly diversifying its business and increasing its influence, and 2018 was a year that proved this – Amazon became the world's second company to be valued at $1tr, following Apple's lead.

Of particular note was Amazon's advertising business. 2018 saw three consecutive quarters of triple digit ad revenue growth (reaching $2.5bn for Q3, with overall revenue up 29% year-on-year). Some estimates put the ecommerce giant as the third biggest ad platform after Google and Facebook.

Nevertheless, despite the incredible growth of its advertising business most of Amazon's success comes from ecommerce. To put things into perspective, in Q3 of 2018, Amazon's net sales increased 29% to $56.6bn. Of course, this dominance of ecommerce is why Amazon advertising is exploding. Indeed, surely one of the most cited stats of 2018 was that around half of all product searches start on Amazon (46.7% of searches according to a May 2018 survey by Adeptmind, and 55% as stated in a September survey by Bloomreach).

Commenting on these product search stats, Chris Gorney, client strategy director at Journey Further, comments:

"With the number of Alexa devices being sold, this is only going to rise. In 2019, those brands with a product to sell that aren't advertising on Amazon are potentially missing out on half of all searches. Amazon could be the new Google for brands that want to see a direct connection between their media investment and sales."

Opportunities for retailers

Soft product launches

In August 2018, Campbell's launched its drink V8+ Hydrate online only via Amazon. The low-calorie drink is targeted at health-conscious millennials who make a lot of their purchase decisions online. When it comes to this demographic, Amazon may well be the right route for many retailers' product launches. And given Amazon's burgeoning ad options, the marketplace is a good way to target customers (on and off the platform) and to obtain customer data.

Indeed, it is likely that other brands will follow suit in 2019, maximising on Amazon's position as one of the biggest online retailers. This is particularly likely for brands that are concerned about finite shelf space and the lack of data that can be gathered in traditional channels.

"In 2019, those brands with a product to sell that aren't advertising on Amazon are potentially missing out on half of all searches. Amazon could be the new Google for brands that want to see a direct connection between their media investment and sales."

Chris Gorney, client strategy director, Journey Further

Internationalisation

Marketplaces have always been a measured way for retailers to enter a new international market, and Amazon's logistics expertise make it an obvious choice.

In April 2018, Amazon updated its app and website, adding an 'International Shopping' experience that allows shoppers to browse only for products from merchants that ship to their country. The feature is available in English, Spanish, Chinese, Brazilian and German languages, and supports 60 currencies. This has made it even easier for sellers on the platform to reach new international audiences.

New advertising formats

Amazon's ad formats increased in 2018. Most interestingly, browsers of sponsored products can now be retargeted across the Amazon ad network (off the Amazon website). This is a big opportunity for sellers using Sponsored Products ad placements, which are already an effective ad unit, and beefs up Amazon's proposition when compared to Google.

Amazon has also tested video ads in search results in 2018. 'Video in Search', as it is aptly named, is described as a "premium ad experience" and a budget of $35,000 is needed for any company interested in the service.

Despite this irritating some retailers, which are growing frustrated that they are paying to drive traffic to Amazon pages, there is some evidence that the company is working with advertisers and becoming less restrictive. For example, Lamps Plus, a home lighting retailer in the US, is able to link these ads to its own ecommerce store instead of its product pages on Amazon, marking the start of an improved and flexible relationship between Amazon and its advertisers.

Optimising for Amazon

Amazon is a go-to marketplace for sellers from both small and big businesses. “Large multinational brands are seeing the need to sell on marketplaces,” claims Kyle Duford, VP of client services at Elevar, in Econsultancy’s Third-Party Marketplaces for Retailers report. “When Nike went on to Amazon, it was a clear sign the game had changed.”

Amazon ‘SEO’

With ‘findability’ so important on Amazon, retailers are wise to optimise product titles so that they fit with user search trends on Amazon.

This is something GSK Consumer Healthcare has been doing, as revealed at the Festival of Marketing 2018 by Louise Kristensen, digital commerce director EMEA. GSK regulatory teams partner with digital commerce and the Medicines and Healthcare products Regulatory Agency to enable simple product title changes. Further work also allowed star ratings to be used in medicinal advertising on the Amazon platform for the first time.

Optimising ads

Oren Stern, general manager at Kenshoo, offered advice on the Econsultancy blog in 2018 about how to optimise ads on Amazon. Advertisers should start by using auto-targeted campaigns for Sponsored Product Ads (making use of Amazon’s machine learning algorithms to identify target keywords). Doing this allows keyword learnings to be applied to subsequent ‘manual campaigns’.

Taking a granular approach to these manual ad campaigns – one campaign for one product and keyword set – will then give optimum clarity and control.

With regard to Headline Search Ads - now called ‘Sponsored Brands’ - advertisers need to make sure that three eligible products display within this ad unit. If Amazon deems one ineligible, the campaign will be paused. Eligibility is an issue for all formats and retailers should have backup products (ASINs – Amazon Standard Identification Number) available.

Winning the Buy Box and 'conquesting'

Amazon's success has led to fierce competition and a war over the 'Buy Box' as sellers try to stand out in an overcrowded space.

The Buy Box refers to the section on Amazon's product pages where customers can click 'Add to Basket' or skip straight to checkout with one-click ordering. The default seller for a product is the one that has won the Buy Box and is in turn likely to enjoy the most sales.

This positioning is based on an algorithm that considers price, seller rating, stock and delivery. Retailers wanting to stand a chance should price products as competitively as possible, offer free and fast delivery, and boast an untarnished reputation. Sellers should therefore focus on the customer experience and encourage users to review their products. Not only does this make winning the Buy Box more likely, it inspires trust. Reviews are also shown on the search results page and play a role in how high the products appear in the search results, making them invaluable to all sellers.

Product Display ads, which show on product pages, are also prime real estate that sellers are battling for. This is colloquially known as 'conquesting' – running ads on competitive product pages to draw away customers. Stern at Kenshoo advises sellers to make sure their merchandising is done well if they are to succeed with conquesting. Alternatively, defensive campaigns involve buying ad spots on your own product pages.

A+ Content

A+ Content (or enhanced brand content), allows sellers to add videos, more detailed descriptions and larger images to their Amazon product pages. This can result in higher conversion rates and is an option sellers may consider.

How to compete with Amazon – trust, branding and experience

Despite its success, it is important to remember that Amazon is not the be all and end all of retail. Although it is powerful, it is not flawless and there are many ways to compete with the online retailer.

First of all, despite its best efforts, Amazon has a bad reputation for fake reviews which can discourage consumers from using the website. Any business that can promise transparency and encourage trust can compete with the giant on this front. Similarly, Amazon has also come under fire in the past for selling counterfeits. This has been a difficult problem to tackle because of the vast number of sellers that exist on the platform. Retailers that can vouch for the authenticity of their products therefore have a strong advantage over Amazon in this space.

In terms of branding, most of the products on Amazon do not belong to well-known, reputable brands recognised for their quality, heritage and status. Retailers with a strong brand should highlight this to consumers and flaunt their reputation.

Perhaps the most important takeaway for retailers competing with the online giant is that the Amazon experience is not necessarily the most enjoyable. Experiential retail is growing and there is a gap here that other retailers (large and small) can fill. American department store Macy's is an example of a retailer with a growing commitment to this, having purchased Story, a quirky New York store that offers workshops and classes, in 2018.

Macy's is also experimenting with its own 'Vendor Direct' programme, allowing third-party sellers to sell on its website and fulfil their own orders. Macy's stores can also act as click-and-collect delivery hubs in this transaction. According to Digiday, this scheme has doubled the number of products Macy's sells and the retailer saw a growth of over 3% in same-store sales.

Whether businesses link arm-in-arm with Amazon, or try to beat it at its own game, 2019 is set to be a fascinating year for the 800-pound gorilla of retail.

Further reading

[Third-party Marketplaces for Retailers]

Further learning

[Winning on Amazon]

The Digital Outlook: What's hot for marketers in 2019?

4. Search Marketing

4.1. Mobile-first search: How to adapt

A brief introduction to mobile-first indexing

Mobile-first indexing was first mentioned by Google in November 2016, when experiments began, but did not roll out until March 2018.

Historically, Google would index the desktop version of a page's content, but as user behaviour has shifted to predominantly mobile searching and browsing, Google decided to index the mobile version of content instead.

For some websites, the mobile and desktop versions of pages may show the same content (for example, those with just a desktop or responsive site), but there are many businesses with a separate mobile site ('m.examplebrand.com') or that serve dynamic content, which takes into account the device being used.

Google will use the smartphone agent Googlebot to crawl and index pages. This transition has happened relatively slowly, though in September 2018, Google notably seemed to send out a large batch of notices to webmasters telling them mobile-first indexing had been enabled.

Although Google began by 'moving sites over' that showed little or no difference between mobile and desktop versions of their site, this is likely to expand soon, or has already.

In June 2018, the Google Webmasters Twitter account made a series of clarifications to end speculation by SEO professionals. First, that "when we recognise separate mobile URLs, we'll show the mobile URL to mobile users, and the desktop URL to desktop users – the indexed content will be the mobile version in both cases."

Google also stated that "the mobile speed update in July is independent of mobile-first indexing."

However, the Google Webmasters account clarifies that although "neither mobile-friendliness nor a mobile-responsive layout are requirements for mobile-first indexing," it is clear that mobile friendliness is a ranking factor and "fast sites are awesome for users, especially on mobile…".

Preparing for mobile-first indexing

Google offers plenty of advice on preparing for mobile-first indexing, most pertinently for those with separate mobile and desktop sites, or dynamic mobile sites.

This includes:

- Ensuring your mobile site has content that is equivalent with your desktop site and is crawlable
- Ensuring structured data and metadata are present and equivalent on mobile and desktop sites.
- Verifying both site versions in Search Console.
- Ensuring hreflang links (used for internationalisation) are mobile and desktop specific across each version of your site.
- Ensuring servers can handle increased crawling on your mobile site.
- Ensuring you have the correct rel=canonical and rel=alternate link elements between your mobile and desktop versions.

Obviously, mobile and desktop versions of a site serve different needs, and so it does not always make sense for content to be identical in format or for mobile sites to be considered above and beyond desktop.

Marcus Tober, founder and CTO at Searchmetrics, offers this note of realism, writing on the Econsultancy blog: "Even with the introduction of mobile-first – it's still going to be important to think about creating content for both mobile and desktop users, and to provide an optimised experience for each. And in ecommerce and retail especially, devoting resources specifically to the desktop content and user experience is going to remain key, because desktop sites still enjoy higher conversion rates than mobile sites."

The future of mobile search

The subtext of both the mobile-first index and the speed update is that marketers need to pay more thought to how content appears everywhere, and that a poor experience on mobile is less and less acceptable for users, and therefore Google is taking action.

Andrew Girdwood, head of media technology at Signal, was quoted on the Econsultancy blog in 2017 commenting that businesses should be thinking about content in a new way:

"Brands will be well advised to think again about their content strategy. How many versions of their content do they want? One for desktop, mobile, AMP and other devices? Or is that too much? Is now the time to be thinking about a headless CMS or is it too soon for the company? I certainly encourage brands to think about content as a layer."

This 'create once, publish anywhere' philosophy is one that businesses will have to get to grips with.

"Mobile search is going to be the focus of innovation, as there's a lot of scope for capitalisation on high intent paired with improved offline integration."
- Dan Gilbert, founder and CEO, Brainlabs

There is also a multichannel angle to be considered for businesses such as retailers that want to make the most of mobile search. Dan Gilbert, founder and CEO of Brainlabs, highlights offline integration as a big part of mobile search strategies in 2019 and beyond:

"Mobile search is going to be the focus of innovation, as there's still a lot of scope for capitalisation on high intent paired with improved offline integration. Local strategy will develop with more personalised offers to attract users into shops and restaurants via Maps. Brands will need to ensure high quality mobile site experiences to increase their mobile volume."

All in all, there is a lot going on in search at the moment, with voice search, rich formats and progressive web apps all worth consideration. And as Google's algorithm can be difficult to second guess, Will Critchlow, CEO of Distilled, advocates evaluating SEO alongside any conversion rate optimisation (CRO) efforts.
"We have long thought that search professionals needed a greater focus on usability and user impacts, and this thinking is guiding where we are placing our bets for 2019. I have written and talked about the hidden dangers in evaluating SEO and CRO efforts separately, and the high likelihood of each of them potentially impacting the other negatively.

"We recently started doing unified testing of CRO and SEO results together and the outcomes have supported our concerns that any time you focus just on one, any potential negative effects on the other could wipe out your theoretical gains. We have been saying for a few years that the big trend in organic search is going to be towards more testing as machine learning and artificial intelligence make Google more of a black box, and this is the next step in the evolution of our thinking."

Further reading

[Local SEO Best Practice Guide]

Further learning

[SEO Marketing – Advanced Training]

4.2. Voice Search: Is now the time?

Voice search: A brief introduction

What do we mean when we talk about 'voice search'? Although the phrase is often used to refer to any type of marketing for voice devices, in its strictest sense, voice search refers to the act of articulating a search query out loud instead of typing it.

Voice search queries are typically answered by a digital assistant, such as Siri, Alexa, Cortana, Bixby or Google Assistant, using results from the default search engine for that device or assistant. Voice search can be carried out on mobile devices, smart speakers such as Google Home and Amazon Echo, and even on desktop PCs.

Voice search has been hailed by many as one of the biggest trends shaping marketing and SEO, but how true is this? Here is what you need to know about voice search going in to 2019.

The state of voice search: some statistics

There are many stats that purport to show just how big of an impact voice search is already having on our lives, but some of them are misleading or downright mythological.

Let's start with a prediction that is commonly attributed to Comscore: "By the year 2020, 50% of search queries will be voice queries". In fact, it was Baidu's chief scientist Andrew Ng who, in 2014, predicted that if Baidu's progress continued at its current rate, "in five years' time at least 50% of all searches are going to be either through images or speech".

In other words, Ng's prediction was never meant to be a global one – nor was it meant to apply exclusively to voice.

Another highly misleading stat about voice search comes from a surprising culprit: Mary Meeker. In 2016, Meeker used a Google Trends graph in her Internet Trends Report to support a claim that "Google voice search queries" were "up >35x since 2008 and >7x since 2010", leading many to circulate the graph as evidence of the staggering rise of voice search. However, the graph actually showed the growth in three voice commands: "Navigate home", "Call mom" and "Call dad", none of which involves a search engine or is remotely possible to rank.

Although Meeker's subtitle for the slide was a little more accurate, calling these terms "queries associated with voice-related commands", it is misleading to present the graph as a visualisation of voice search trends when, at best, it shows a relative increase in the use of voice commands to accomplish simple actions.

So, is the voice search revolution really all hype? Not necessarily – it is just much further off than most would have you believe. Here are some more down-to-earth facts about the opportunity presented by voice search:

Voice search isn't huge – yet

In terms of sheer volume, the number of voice searches available to optimise is not huge. Will Critchlow, founder and CEO at agency Distilled, did some excellent number-crunching in which he estimated there are only 120 million-150 million "real" voice searches – queries for information that can be ranked for commercially – per year, which works out to around 100,000 per month. Contrast that to the 3.5 billion searches that Google is reported to process every day.

Of course, voice search has the potential to become much more widespread, and companies that want to be in the best possible position to capitalise on voice in the future would do well to prepare now. However, be aware that the return on your efforts might not be that noticeable at first.

Mobile has the edge…

Although smart speakers are undeniably an important and growing trend in voice search, with Canalys reporting 187% growth in global smart speaker shipments in Q2 of 2018, for now smartphones are the dominant voice-enabled device thanks to their sheer ubiquity and penetration across the globe. In 2018, around 1.45 billion smartphone units were shipped worldwide, according to Statista, versus 16.8 million smart speaker units.

Stone Temple Consulting surveyed more than 1,000 people (Mobile Voice Usage Trends 2018) on their usage of voice on mobile, and found that driving was the most popular use case for voice commands (favoured by 58% of respondents), followed by situations in which hands were occupied (43%) or dirty (39%). This covers activities like gardening, DIY, cooking, and animal or child care to name a few, and it could be beneficial for brands in these markets to bear their voice search presence in mind.

Unsurprisingly, many mobile users also employ voice search on the go. According to an April 2018 survey of 1,012 US consumers by Brightlocal, 58% had used voice search on a smartphone to find local business information in the past 12 months, while 46% of voice search users reported searching for a local business on a daily basis.

This underscores the importance of local, as well as mobile SEO when optimising for voice in 2019.

…but smart homes could be the next frontier

What do current technological trends mean for the future of voice search? We have established that the smart speaker market is experiencing immense growth. Smart speakers can be used as stand-alone devices, but they are designed to be connected to other things – like smart appliances, smart lighting, smart thermostats, and so on; all of which are available for consumers to buy.

It is early days for the smart home, or connected home, market but we can expect to see it grow further in 2019. Amazon's launch of the AmazonBasics microwave last September may be an indicator of where things are headed: a voice-controlled microwave with Amazon's voice assistant built in, designed to communicate with Amazon Echo devices, and retailing at the affordable price of $60.

Of course, you cannot search the web with your microwave (yet). But as important as it is not to confuse voice commands and other kinds of voice functionality with search, one trend could give rise to the other. If in future we are surrounded by voice-activated devices that are all connected to the internet, it is not unreasonable to expect some of those to be capable of search.

This does not mean that the future of voice search will be static and confined to the home, however. As we have seen, driving is a big use case for voice search, and car brands including BMW, Audi and Ford are already incorporating voice assistants directly into vehicles, opening up a world of possibilities for voice beyond the home.

What should businesses be doing to optimise for voice in 2019?

What does all this mean in practical terms for businesses that want to optimise for voice search – or want to know whether they should? Here are points to bear in mind.

Think long term – and don't overhype

The immediate opportunity around voice is not massive. It has the potential to become much bigger, but the key is to focus on the long term and not expect to see results overnight.

A lot of hype and misinformation surrounds voice search, so do not fall victim to repeating statistics like "50% of searches will be voice by 2020". It is important to stay grounded in your own experiences and those of the people around you. If a statistic that you read does not tally with your own observations, ask yourself why that is.

Use schema.org markup

Schema.org markup, a type of structured data markup that helps search engines to interpret your webpages, is a key component of voice search optimisation.

Not just because it underpins the featured snippets that often form the basis of a voice search result, but because it helps to reinforce to search engines that the information presented about your business is accurate and trustworthy. Stephen Kenwright, marketing director at Edit, emphasises the importance of accurate data and markup to brands' voice presence:

"Markup like Schema.org has become increasingly valuable as it powers more and more results page real estate, extending organic listings and contributing to Google's Knowledge Graph. But as search engines gear up for voice interfaces and customer experience takes centre stage, it falls to SEO professionals to provide accurate, helpful data if brands are going to maintain their organic visibility.

"In practice, this means supplying correct data – prices, inventory, locations, opening times, content formats etc. – will be essential not only to take advantage of new Knowledge Panels and extensions as they become available, but to be trusted by search engines at all. Sloppy data will mean dropping visibility."

Keep tabs on trends

Reading a wide variety of news and analysis about voice search and voice interfaces is the best way to keep on top of the trends you need to be aware of.

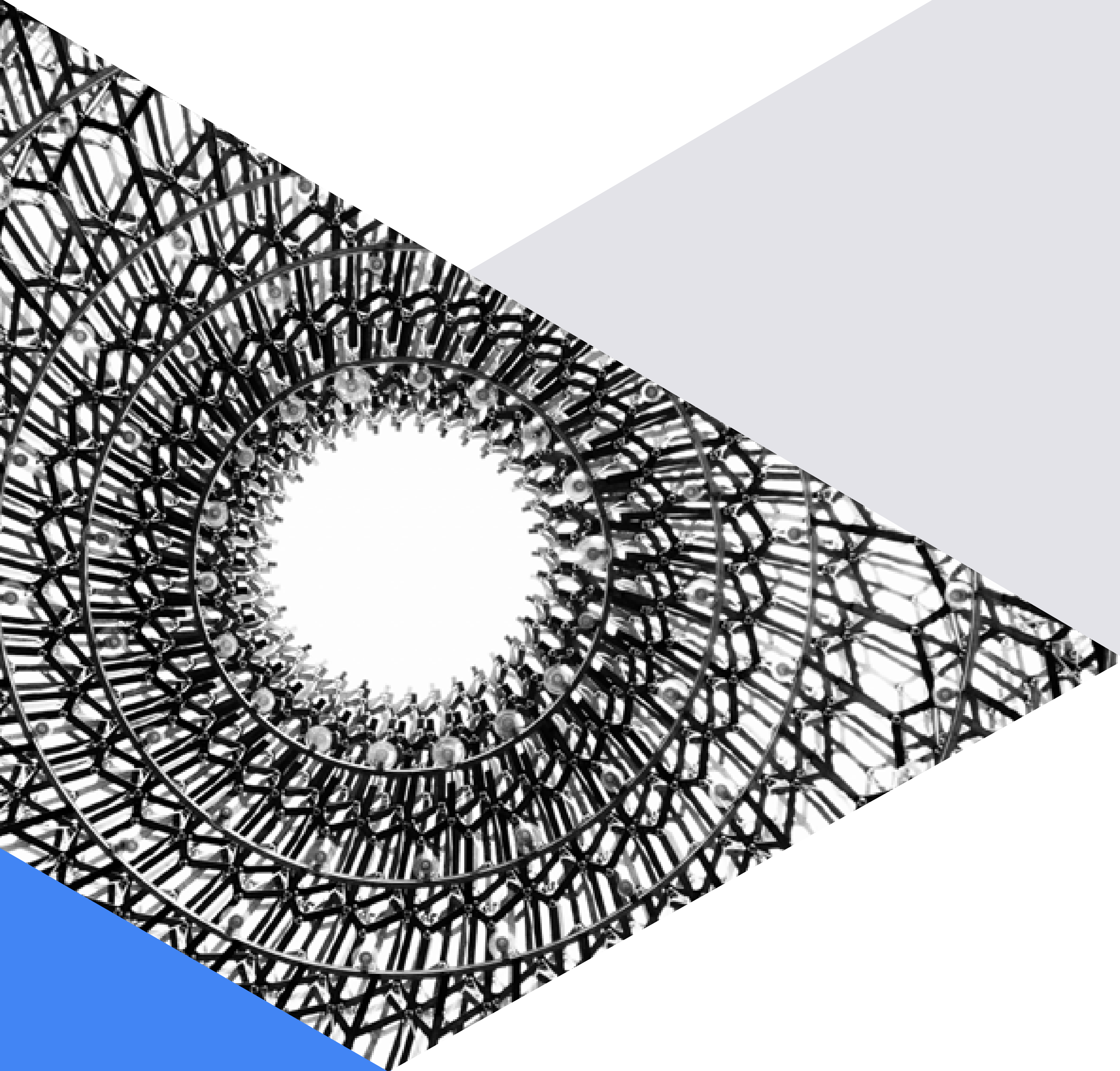
While there will be plenty of fluff to sift through, you will also find yourself learning about important developments before anyone else, such as like Speakable Schema, or new voice-activated smart devices. Before long, patterns will become evident, and you can use these to inform your strategy.

Further reading

Local SEO Best Practice Guide

Further learning

Future of Search



The Digital Outlook: What's hot for marketers in 2019?

5. Martech

5.1. Integration as a service: Flexibility for marketers

The martech landscape: consolidation and integration

In a May 2018 Wipro employer skills survey, more respondents ranked martech (47%) among the top three most important skills for a CMO's success than marketing strategy (44%). This result is surely fuelled in part by the complexity of the martech landscape, leaving some CMOs overwhelmed.

Chiefmartec's famous visualisation of every martech provider has grown from 150 company logos in 2011 to almost 7,000 in 2018. Furthermore, looking just at overall growth, consolidation does not seem to be occurring – creator Scott Brinker points to only 4.5% churn.

However, the big cloud solution providers are making acquisitions. Big purchases in 2018 included Adobe's acquisition of Marketo and Magento and SAP's purchase of Qualtrics. Writing on the Econsultancy blog about the latter deal, Econsultancy research manager Donna-Marie Bohan explains:

"The 'full picture' is something that legacy software companies are now striving towards in a bid to offer a one-stop shop for customers. Experience management is about helping companies get a complete picture of an enterprise from the viewpoint of customers, employees and anyone else whose opinion matters to the business. By getting closer to that often mentioned 'single customer view', companies will be in a better position to anticipate and respond to customer needs."

These experience cloud providers also have to make it easy to integrate solutions from the long tail of martech. New categories – 'bots and livechat' and 'compliance and privacy' – were formalised by Brinker in 2018, for example.

Econsultancy's 'Dark Martech' report found that organisations where marketing teams outperformed their top business goal over the past year, are two and a half times more likely than 'mainstream' companies to structure their marketing around an integrated marketing cloud.

Integration of martech has, however, traditionally been more difficult perhaps than marketers expected it to be. However, there are signs that this may become easier through 2019 as the market matures.

A focus on integration is timely, given that the Gartner CMO Spend Survey found that CMOs predict spending on martech will jump to 29% of their budget in 2019, up from 22% in 2018. Centaur head of data and analytics Ben Barrass explains that "to some degree our experience of this [increase] has been around taking additional services from cloud suppliers and expanding capabilities." He adds the caveat that amidst budget cuts, as martech is longer term it tends not to be cut, and therefore represents a higher percentage of a reduced budget. Even so, integration of additional services is a trend.

Integration as a service

"The formalisation of integration as a service allows for company or cut and paste clouds to be more easily created outside of IT teams," suggests Barrass.

Integration as a service is a category of martech solution that helps marketers integrate their cloud applications with each other and with company data, which may be on premises. The Gartner definition (Integration platform as a service, or IPaaS) is "a cloud service that provides a platform to support application, data and process integration projects, usually involving a combination of cloud-based applications and data sources, APIs and on-premises systems."

Brinker highlights IPaaS as a "thriving category". These companies, such as Mulesoft, do not keep hold of the data or execute the marketing, but simply link together many different martech components and act as a data conduit.

Alongside the growth in IPaaS, big martech cloud vendors such as Adobe are growing their independent software vendor (ISV) programmes, allowing businesses to take compatible martech from smaller companies.

Integration of AI/ machine learning

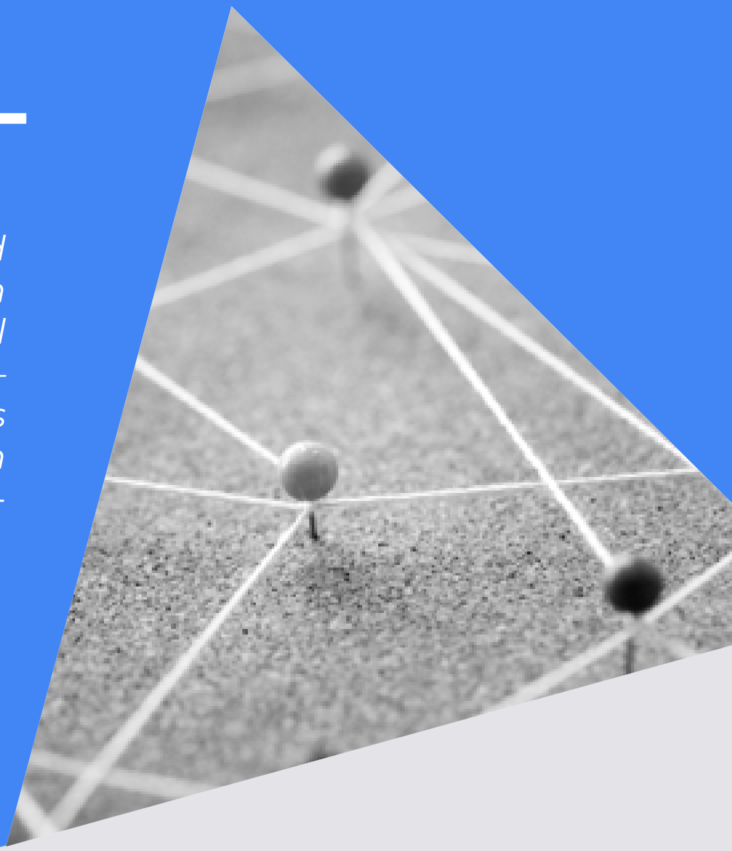
Centaur's Barrass highlights one expanding area of martech – black box AI and machine learning tools. "Next year will see further practical uses of the tech," he predicts, "but mainly hidden behind interconnectable partners, such as Phrasee, for example", a company which optimises email and social ad copy.

A lack of martech skills

In Econsultancy's Dark Martech survey, 45% of respondents cited a lack of skills as a main reason for a reluctance to invest in martech. Sixty-six per cent said they believe they do not have the skills or talent to make the most of martech.

"What has been considered as advanced from an implementation perspective will quickly become the standard – for example, CRM integrations to connect the dots between behavioural data and persona-based data to build more effective audiences."

Alex Davies, head of analytics (UK), Jellyfish



Wipro's 'State of Martech' study found only 6% of respondents believed that most of their marketing team is martech conversant.

This is an issue and will no doubt continue to put pressure on CMOs. Zone's chief client officer Jon Davie, in a Marketing Week article on the topic, comments: "Creating an omnichannel customer experience strategy is one thing. But leading the team responsible for procuring, installing, configurating and operating the technology required to execute such a strategy is quite another."

Davie continues: "The big martech brands like Adobe and Salesforce have done a great job selling the vision to CMOs. The pivot from the CIO to the CMO makes sense in that context. But how many CMOs are really equipped to take on responsibility for cyber security or data integrity – the nuts and bolts of the CIO world, and the issues where one security breach can undo years of careful brand-building?"

Complexity is a fact of life for marketers

Complexity, it seems, is increasingly a part of life for marketers who are struggling to pull their tech and data into shape and maintain control.

Alex Davies, head of analytics UK at Jellyfish, explains that "What has been considered as advanced from an implementation perspective will quickly become the standard – for example, CRM integrations to connect the dots between behavioural data and persona-based data to build more effective audiences."

Although Davies was speaking specifically about the analytics function (and where it crosses CRM and automation), the point is that integrated martech is becoming more commonplace, and marketers should take care not to be left behind.

Further learning

Martech (Marketing Technology) Training

5.2. Citizen developers: Becoming more than a power user

Breaking free from the IT ticketing system

The irony of integrated martech is that although we may foresee a future where it effectively automates the executional parts of marketing, for now marketers are having to learn a broader set of technical skills in order to get the best out of martech.

As Ben Barrass, head of data and analytics at Centaur Media, points out, organisations are (pragmatically) looking for more from marketers:

"The skills gap around data has meant that finding unicorns is now universally forgotten, but marketers need to be able to have a base level of understanding of the concepts of automation, operations and data in order to be able to communicate with specific services they need to engage with."

Where marketers may previously have sought 'power users' of a particular technology, now they are looking for people who have a deeper understanding of the marketing stack, and can do more without the help of IT.
Scott Brinker of Chiefmartec has been watching the rise of these 'citizen technologists'. In an article titled 'Now every marketer is an app developer – even if they don't know it', Brinker explains: "It's about giving non-technical marketers the tools and empowerment to build apps, analyse data sets, and route data between different cloud services on their own, without having to take a ticket and wait (and wait and wait) for an expert in IT – or even in marketing ops – to do the work for them."

As Craig Hanna, partner and board director at Cohesion Web Technologies, writes on the Econsultancy blog, "the current dearth of talented developers... creates a workflow bottleneck for many digital teams. This leads to an ever-extending list of tasks and processes, hopes and visions, stretching out beyond the horizon. Rather than a 'wish list', it becomes a 'wishful thinking list' as ever more detailed user metrics highlight an increasing number of user experience issues that need resolving".

"The current dearth of talented developers creates a workflow bottleneck for many digital teams. This leads to an ever-extending list of tasks and processes, hopes and visions, stretching out beyond the horizon. Rather than a 'wish list', it becomes a 'wishful thinking list'."

Craig Hanna, partner and board director, Cohesion Web Technologies

'Low code' platforms and the aPaaS

The term 'low code' was coined in 2004. Forrester defines low code platforms as "Products and/or cloud services for application development that employ visual, declarative techniques instead of programming and are available to customers at low- or no-cost in money and training time to begin, with costs rising in proportion of the business value of the platforms."

Typical examples of low code platforms include Salesforce and Mendix – both known as an 'application platform as a service' or aPaaS – which offer tools to help the citizen technologist, but also offer greater flexibility given the necessary development expertise.

According to research by Forrester, the low code market is predicted to have grown by 45% from 2017 to 2018, with a similar growth rate set to continue through to 2022.

Looking again to Brinker's Chiefmartec blog, he uses the trusty Microsoft Excel as a starting point to map the evolution of the citizen technologist as app developer. Where once marketers may have used sophisticated Excel sheets as "rudimentary business process apps", many have moved to Google Sheets, collecting data on web pages through Google Forms. Others may have gone further to a tool like Zapier, an iPaaS that lets non-techies route data among cloud apps (e.g. from CRM to automation platform), thereby creating some workflow 'apps'. This is all 'no code' work.

Brinker then highlights Salesforce's recently unveiled Lightning Object Creator – allowing marketers to convert spreadsheets into apps for Salesforce Lightning. The spreadsheet has become an app.

The benefits of this approach for marketers and the organisation are fairly obvious – chief among them being faster delivery.

Democratising technology

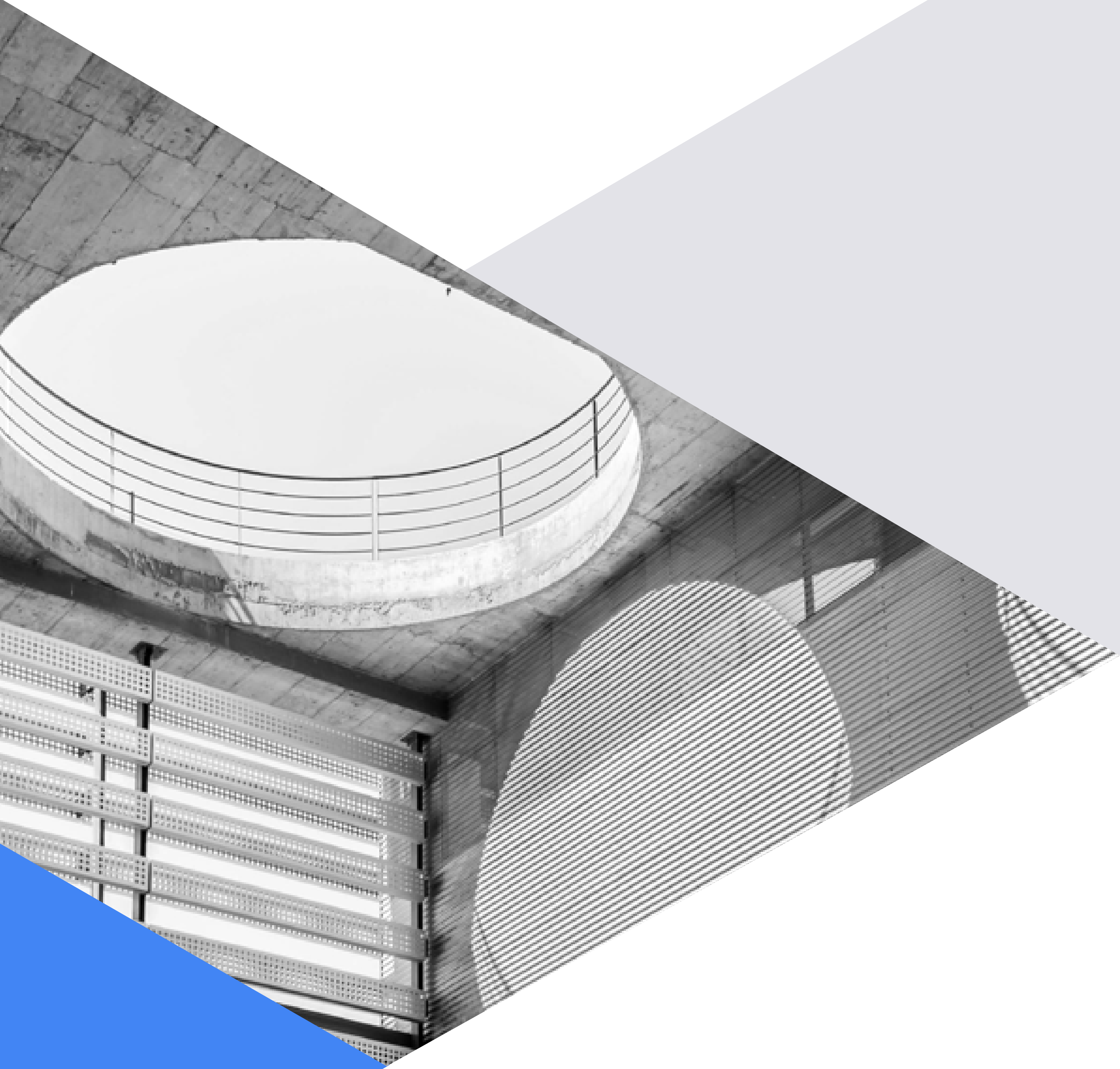
Could the endpoint be democratised technology, where martech feels intuitive, is mostly low or no code, and can be automated?

This is Brinker's assertion, talking of a 'marketing maker movement', where "it will be faster, cheaper, and easier to create and analyse more and more sophisticated digital experiences. It will unleash tremendous parallel innovation all across marketing, as previous bottlenecks from idea to experiment to deployment at scale melt away."

Although it is perhaps tempting to characterise the marketing-IT relationship as a fractious one, marketers can be taking control of their own domain, leaving the experts to concentrate on other areas, such as security. All marketers will hope for even the smallest amount of 'melting away' in 2019 through the nurturing of citizen developers, integrators or data scientists.

Further learning

[Coding for Marketers and Non-Technical Professionals Training]



The Digital Outlook: What's hot for marketers in 2019?

6. Content

6.1. Too much content: Auditing and the headless CMS

Too much content?

Steffan Aquarone, CEO at Paygora, advises: "Produce less [content]. None of us have enough time." It is particularly apposite that he makes his point so briefly, but does Aquarone have a point?

2018 has been interesting for content – dynamic content is increasingly used to personalise websites (particularly in ecommerce) and online video got interesting (both short-form via TikTok and long-form via IGTV).

Podcasts are booming, too. Rob Weatherhead, head of agency at Fastweb Media, says:

"Apple Podcasts… now features over 500,000 active shows across 100 languages. Podcasts are easy to access, portable and have a sense of authenticity that some other forms of content lack. That's why Econsultancy is right when [it] notes that they have the potential to become a rich platform for influencer marketing.

"Smart brands will tap into this potential and perhaps even launch their own podcasts to tap into the medium's continued growth."

Ephemeral content continues to explode, with the 'stories' format on social media now a mainstay of Snapchat, Facebook, Instagram (400 million daily users), and most recently YouTube (its version, previously named 'Reels', has been rolled out to creators with 10,000 subscribers or more). Even Netflix and Airbnb have experimented with the format.

Will Francis, creative director and founder at Vandal London, predicted in 2017 that "As more people and brands adopt Instagram Stories and Snapchat, these fleeting photos and videos become increasingly the default language in digital. 2018 may be the year that 'traditional' social media posts start to feel stiff and corporate – just another marketing channel – while disposable content is where brand personality is crafted and true love and engagement earned."

Looking at businesses in fast fashion and beauty, for example, this is very true – Instagram is a key sales driver.

"Most businesses have embraced content marketing in one form or another in recent years. Agencies have repositioned themselves as 'content focussed' where they were once known as SEO, or even media agencies. Clients have been encouraged to crank out content at volume, and most have obliged."

Rob Weatherhead, head of agency, Fastweb Media

However, among all this fast-moving content, Aquarone has a point. Content marketing increasingly feels bloated in some sectors. Despite being a popular term since 2012, marketers have not entirely got to grips with the planning, production and measurement of content marketing. That is partly because content marketing has in many cases been pursued as an attempt to rank better in search engines.

Weatherhead at Fastweb Media expands on this point:

"Most businesses have embraced content marketing in one form or another in recent years. Agencies have repositioned themselves as 'content focussed' where they were once known as SEO, or even media agencies. Clients have been encouraged to crank out content at volume, and most have obliged. A lot of this content, however, is just adding to the noise of information being pushed on consumers and rarely gains any visibility or adds anything to the customer experience."

Weatherhead continues that brands need to ask "Why are we doing this, what is the content going to be and when is the best time to publish it?"

Content auditing

Less is more. This does not just apply to ephemeral content (which is produced frequently but is quick to create and essentially disposable), but to the way in which content managers should audit website content.

A strategy of updating or even deleting content, rather than creating anew, can be beneficial for those businesses targeting their audience via search.

Writing on the Econsultancy blog, Marcus Tober, founder and CTO at Searchmetrics, explains:

"It's amazing how many website owners don't bother to review and improve their existing content. One of the main reasons is that content writers today aren't always paid to tweak existing content. They are paid to write new articles and content. Consider the example of our own site, Searchmetrics.com, on which we host a glossary of search and content marketing terminology.

"We undertook a major project to review all the content in the glossary and improve it with longer text, more up-to-date and clearer explanations etc. ... just making those changes has driven a pretty significant improvement in our search visibility."

Tober also gives the example of search gains made through content deletion:

"If you have pages on your site that are performing poorly and generating little traffic, the poor user signals from these pages can potentially drag down the performance of your entire domain. However, if you delete 'bad' content, Google no longer has to invest time in crawling and evaluating it, and can focus on the content that's left which is performing better – with higher traffic rates and more positive user signals. Removing content in this way can actually lead to a search performance boost.

"For example, German travel site Urlaubsguru.de deleted 95% of the content from the domain. It made only small adjustments and updates to existing content such as including larger images and slightly longer text but no significant changes. Over a two-year period, this produced a steadily climbing improvement in search performance."

Although some may say it is difficult to tie a two-year improvement in search ranking solely to the decision to delete content, it certainly demonstrates that removing content in no way precludes search gains.

Create once, publish everywhere: the headless CMS

As communication channels proliferate, content strategy becomes more and more difficult to wrangle, and more resource heavy.

This dilemma has seen the emergence of the headless or decoupled CMS, often called 'content-as-a-service' when part of a hosted SaaS platform.

These content management systems store content as structured data components, allowing the content to be accessed via an API by a variety of applications – from web to app to chatbot to voice user interface. This means content does not have to be created specifically for each individual medium.

Richard Jones, CTO at software and digital strategy specialist Inviqa, gives extra details on how these systems work (and the difference between headless and decoupled), on the Econsultancy blog:

"With a headless CMS, you have no capability to generate front-end code, so it's purely a content service without a display layer. Headless is reactive because it assumes that another system will request content as and when it needs it. So, if you add content to a headless CMS, what you get out is the same content in the form of an API request.

"With decoupled CMS, you do have front-end capability, but content-consuming devices and platforms access your content via the CMS API rather than directly from the database (as with a traditional coupled CMS). Decoupled CMS is more proactive because it pushes content to template engines that convert the content into a layout suitable for a particular platform or device (i.e. HTML + CSS). In other words, you expose content to other front-end systems, rather than using the theming and presentation layers you would normally use with a coupled CMS."

The benefits of a headless CMS

The benefits of a headless CMS as part of a microservices approach include:

- flexibility and speed to market
- potentially wider reach and therefore greater ROI
- future-proofing, including easy migration of content between CMSs if needed
- happy developers with fewer constraints.

Getting started with a headless CMS

Rick Madigan, digital marketing strategist at MMT Digital, gives the following advice for marketers considering a headless CMS:

“With most of the large organisations that we work with, the advice is to start small. Find a use case within a smaller project that provides an opportunity to spin up a new website or application that could use a headless CMS rather than having to be implemented in the legacy CMS.

“Beyond just the content, start to think about how you could develop modern microservices to interact with other platforms that you need (for example, CRM, analytics). As part of this project, work with architects to map out the ultimate goal. What would a complete shift to microservices look like in terms of search, personalisation, marketing automation, business services, CRM, data and analytics?

“While this is probably handled with a small number of legacy platforms, what might it look like in the future? You can then devise a strategy to iterate towards that goal without having to throw everything out and start again.”

Further learning

[Masterclass: Content Marketing Training]

The Digital Outlook: What's hot for marketers in 2019?

7. Social Media

7.1. Dark social: The medium is a message

What is dark social?

Dark social is an awkward phrase that describes social sharing which cannot be accurately tracked by a web analytics platform. This is when links are shared chiefly by email, SMS or messaging app, and often involves a copy and paste of a URL. The result is traffic that appears as 'direct' but is actually 'social'.

Radium One estimates that 84% of consumers' outbound sharing from publishers' and marketers' websites takes place via private channels.

Writing on the Smart Insights blog, CEO of GetSocial João Romão details how, since July 2018, dark social has become the largest source of social traffic to their audiences (the client websites they collect data for), above Facebook referral traffic .

Romão remarks that "although Facebook is still king on specific and sporadic events... daily referrals from dark social [as measured by GetSocial] surpassed Facebook's during July 2018."

Why is dark social important?

The growth of dark social shows how use of social media is evolving:

- Facebook engagement is decreasing and no longer drives the same traffic for publishers, after Facebook's algorithm change in early 2018
- Instant messaging apps are incredibly popular. WhatsApp has 1.5 billion monthly active users, Facebook 1.3 billion
- Although Instagram was a big success story in 2018, direct messages, polling and the ephemeral Stories feature are areas of growth.
- Social media marketing is increasingly about advertising.

Rob Weatherhead, head of agency at Fastweb Media, comments:

"Social media was once about amplification. People used the likes of Twitter, Facebook and Instagram to broadcast their opinions, show off their latest look or just talk about whatever they had for breakfast to as many people as possible.

Now, however, one-to-many social media has been replaced by one-to-one social media, also known as dark social. As Mark Zuckerberg said, “we’re seeing the way people connect shifting to private messaging and stories.”

Indeed, Zuckerberg goes further in his October 2018 post:

“Public sharing will always be very important, but people increasingly want to share privately too – and that includes both to smaller audiences with messaging, and ephemerally with stories. People feel more comfortable being themselves when they know their content will only be seen by a smaller group and when their content won’t stick around forever. Messaging and stories make up the vast majority of growth in the sharing that we’re seeing.”

What should businesses do about dark social?

This is a difficult question. The simple answer is that marketers should try to find out how big a proportion of their traffic is from dark social, by auditing their direct traffic and using tracking on sharing buttons.

However, it is difficult to identify the volume of traffic, what is more important is deciding how changing habits should influence social strategy. Businesses may need to reconsider their approach to customer service, if customers show a willingness to interact via private messaging (see the chatbots section of this report). Similarly, given the popularity of messaging, business may need to consider their advertising strategy – social ads are now available in WhatsApp’s status features (its Stories equivalent) and has been available in Facebook Messenger since 2017.

There is also the wider question of whether brands need to take another look at how they create and engage communities of their fans. Adidas is the most notable brand using dark social – its community platform Tango Squads uses both Facebook Messenger and WhatsApp to engage with young football players. Although Tango Squads does include promotional messaging from Adidas, it also seeks to get input for product development and to produce the “next bunch of football influencers”.

However, this kind of community management can be resource

intensive. Tango Squad members have been reduced in number since launch. And in a 2018 interview with Marketing Week, Florian Alt, senior director, global brand communications at Adidas, also highlights the difficulty in proving the immediate value of such initiatives.

“Everyone [in the business] would sign up to the good cause and could see how this ladders up to our core belief and mission. But on the flip side we have to generate profit and there is a fine line.”

Adidas launched the Tango app in September 2018, focusing more on the sharing of user generated content, allowing amateur footballers a way of showing off their skills. This approach is considered more scalable and still allows for a network of influencers to be created. Alt also points out it has more “straightforward” KPIs such as engagement rates, view-through rates, content views and app downloads.

Despite the difficulties for early movers, as Zuckerberg has noted, the growth in social media in 2019 is all about stories and messaging. How brands react and what ROI they will see is still to play out.

Further learning

[Getting to Grips with Dark Social]()

7.2. Video: Ephemeral, vertical, essential?

Is social video set to explode?

Mobile video (and therefore social video) is one of those dawning realities that happens in digital. Much as marketers prognosticated about the 'year of mobile', they now await the year when video will explode on social media.

In 2018, there were certainly enough developments to suggest that social video is set for an uptick. From a platform perspective, Spotify published vertical music videos in-app, Instagram launched IGTV, Musical.ly became TikTok (joining forces with China's mighty Douyin) with downloads soaring, and Facebook launched a TikTok imitation called Lasso.

Some fascinating statistics were revealed by the annual Reuters Digital News Report, which stated that over half of news video consumption happens in third-party environments like Facebook and YouTube, as opposed to via publisher websites.

Although the Reuters report is solely about news, its findings reveal a cultural split. All Asian countries (including Japan) want more online news video (at the expense of text), while the US and Northern European countries want fewer online videos.

It will be interesting to note whether attitudes in the West shift over 2019, as technology such as 5G rolls out, and if APAC's 'mobile-first culture' spreads.

Stories success shows a shift to richer content

As 'stories' grow in popularity on social media (particularly on Instagram), users and advertisers are becoming accustomed to richer content. Standing out from traditional posts that contain text and images, ephemeral content featuring vertical video is beginning to cut through.

This is reflected in advertising spend on Instagram, where spend on Stories ads has hit 25% of total ad spend in Q3 2018, up from just 7.8% in Q3 2017 (according to Marin Software figures drawn from their clients).

With the launch of IGTV, Instagram is betting that users are ready for more vertical video on their smartphones.

Growth of mobile video in China is difficult to ignore

Mary Meeker's 2018 trends presentation picked up on the fast growth of mobile video in China. Data from QuestMobile shows that between 2016 and 2018, the portion of time that Chinese consumers spent interacting with mobile video on a daily basis (as a percentage of all mobile media) increased from 13% to 22%. Short-form video is largely responsible for this increase, though long-form has increased, too.

Meeker also observes rapid growth in the user base of short-form video apps Douyin and Kuaishou, as well as high engagement rates (an average of 52 minutes per day on Douyin).

And while forecasting the death of TV is a sure-fire way to incur the ire of many marketing commentators, Meeker details a gradual decline in spending on Chinese TV networks since 2014, as money moves online. The Econsultancy blog sums up:

"The content budgets for video platforms such as iQiyi, Youku and Tencent Video – which often produce their own, original, long-form video content – officially eclipsed those of Chinese television networks in 2017."

TikTok one to watch

TikTok (the Western incarnation of Douyin) is the platform that marketers, especially those that like to be first movers, should keep an eye on.

Created out of Musical.ly, after its acquisition by Chinese company ByteDance, it has been downloaded more than 80 million times in the US, where it has hit the top free app spot in the Apple App Store. October 2018 alone saw four million downloads, more than Facebook, Instagram, Snapchat and YouTube, and a 31% month-on-month rise.

A sign of the app's popularity amongst celebrities, Tonight Show host Jimmy Fallon is using TikTok for a new segment to solicit videos from viewers attempting various challenges.

For anyone who has not used the app, it allows users to record and publish video clips of up to 15 seconds, complete with a variety of effects, filters and stickers.

Can it succeed?

The Econsultancy blog draws a comparison with Vine, Twitter's ill-fated short-form video app. But while such a comparison might sound unflattering, the blog points out that TikTok already has 500 million monthly active users globally, as of July 2018, more than double that of Vine at its peak.

What's more, "TikTok's timing appears to be good. Video is well-established and booming, and younger generations appear especially entranced by the kind of short-form video content that TikTok is focused on."

The Econsultancy blog continues:

"Finally, TikTok is owned by ByteDance. That's not a familiar name outside of China, but the privately held company, which was founded in 2006, is, according to reports [from Forbes and Bloomberg], the most highly-valued tech startup in the world, having just raised a $3bn round of funding that valued it at $75bn. So TikTok has a lot of capital behind it, which could make it more difficult for incumbents to quash it."

Although there are influencers on TikTok, and Musical.ly saw a campaign from Coca-Cola as early as 2015, the platform is yet to boom from a brand point of view.

Indeed, last September saw the first TikTok brand partnership, with Guess, running a #InMyDenim challenge that was promoted to users of the app. The partnership also involved influencers.

As long as brands "don't forget their business objectives", now is a good time to get on board, before competition brings about price rises. "For brands wanting to get their feet wet now, they can set up TikTok accounts of their own and partner with influencers directly the same way they do on platforms like Instagram, Snapchat and YouTube."

With TikTok launching its first marketing campaign in the UK last Christmas, 2019 could be a make or break year for the app.

IGTV and the challenges of vertical video

In 2018, IGTV launched a long-form (up to 60 minutes) vertical video platform available in the Instagram app, as well as a standalone app.

The app mimics the linear nature of broadcast TV, in that video starts playing as soon as the app is opened. Brands such as The Economist, Bacardi and Chipotle are already involved, with notable successes including a Vogue video featuring Kylie Jenner and her makeup products, which has been viewed more than 250,000 times, and a Blancpain sponsored film about ecotourism published by The Economist, which garnered over a million views.

However, the Econsultancy blog highlights the challenge of vertical video for advertisers.

First, brands cannot simply repurpose videos created for horizontal formats like YouTube's (though it does have a vertical format). "That means without an ability to quickly repurpose content, it will need to invest time and money in content creation for yet another digital platform."

Second, IGTV is available to all content creators immediately, which may not be the best way to ensure quality content is on display. Will the content be attractive enough to advertisers to make them pour in when Instagram decides to open up ads?

Without ads, of course, publishers are taking some risks in creating content, given that other platforms such as YouTube and Facebook are set up to pay publishers.

Should marketers take advantage of vertical video platforms?

Although the jury is out on exactly how much video users want to watch on mobile, social platforms will undoubtedly take a large percentage of mobile views.

That means retailers, which already know the power of product video on their ecommerce websites and are not experimenting on newer social video platforms, may want to begin doing so.

Whatever sector marketers work in, they need to consider if the audiences on some of these new platforms match those they are targeting. Vertical video may increasingly become a gateway to Generation Z, but that does not help you if you sell caravan holidays.

There were many creative case studies of short-form Vine videos made by brands, and the possibilities for long-form content have been shown by publishers such as the National Geographic on IGTV. But until vertical video advertising inventory is scaled up, brands experimenting may be tempted to leave the content creation to partner influencers.

The usual rules apply when working with influencers – neglect authenticity and transparency at your peril.

Marketers considering marketing in China will have to be more serious about getting to grips with a larger network of social video platforms, for example Kuaishou, Douyin, Miaopai and Meipai allow short-form video creation. Case studies include Destination Canada, which created bi-weekly video series 'Canada Station', covering subjects such as Beijing residents' impressions of Canada, and the celebrations for the country's 150th anniversary.

Further reading

Social Media Best Practice Guide Bundle

Further learning

Fast Track to Social Video

Social Media

Sponsored Content

7.3. The state of influencer marketing in 2019

By Pau Sabria, co-founder, Olapic

Olapic

About Olapic

Olapic is an innovator in visual content solutions for user-generated, influencer-generated, and short-form video content. Olapic enables brands to generate, curate, enhance and distribute authentic, brand relevant visual content across the entire customer journey, driving engagement and performance at scale for hundreds of the world's top brands. Olapic is a wholly-owned subsidiary of Monotype Imaging Holdings, Inc. For more information, visit www.olapic.com.

About the author

In 2010, Pau Sabria and his co-founders started Olapic, the first visual content marketing platform. Based in New York, Sabria oversees Olapic's strategy, growth and integration with Monotype, its parent company.

What is authenticity? No question is more hotly debated or relevant today because marketers' roles have fundamentally changed. Their brand is not decided in the boardroom but in the collection of what consumers say across tens of millions of Instagram, Snapchat, and social media interactions – every day, all the time, often out of earshot. It leaves brands in less direct control and many are adapting to a new method of influence: guiding consumers to buy instead of selling to them. The brands that will be most successful in the coming years are those that crack the authenticity code.

Trend 1 – Influencer marketing is now mainstream

Influencers – once derided as a fleeting fad – now perform a vital function in the digital ecosystem as matchmaker. They legitimise brands in the eyes of skeptical consumers, who gladly block or ignore ads but trust influencers' advice. Influencer tracking technologies have also improved to make the intangible concept of authenticity visible and, at least partly, measurable.

A study by Mavrck found that influencer-generated content is 6.9x more effective than studio-shot content. That is a tremendous gain over the bleak conversion rates many marketers are accustomed to in digital ads, which is why brands are expected to pour as much as $2.38bn into influencer marketing by the end of 2019.

Trend 2 – Brands will need to infuse data-driven decisions with empathy in order to reach customers successfully

The Wild West era of data use and abuse is nearly behind us. Scandals like those that plagued Cambridge Analytica have shattered consumers' faith that brands have their best interests in mind, and legislation such as Europe's General Data Protection Regulation and California's consumer data privacy law – believed to be the toughest in the US – have empowered individuals to opt out of data collection and demand companies delete their records. If brands want consumers to continue to share, they must be clear about their intentions and use that data to strengthen relationships, not just to sell.

Trend 3 - Scalable, multichannel video campaigns will become the foundation of effective marketing strategies

By the end of 2019, video will account for 80% of all internet traffic, reports Cisco, and according to eMarketer video now accounts for 25% of all US digital ad spending. Especially exciting to consumers are stories and ephemeral videos such as Instagram Live, Snapchat video messages, and Facebook Live streams, which offer fleeting connections in a digital world where most content is premeditated and permanent.

Brands and advertisers that adopt a test-and-learn approach to producing video content typically see a 1.5-2x lift in average view time and completions, and find that creative quality determines 75% of the impact of the content as measured by brand and ad recall, according to Facebook. In a marketplace flooded with content, nothing feels more real to consumers than brands that are willing to press play.

Trend 4 - Brands will be expected to boldly uphold shared values

As the world undergoes a shift to a confusing digital economy and widespread political deadlock, there is a rising sense that someone should do something. To consumers, that someone is brands. Consumers actively seek out brands that share their values and take brave and bold action to uphold them. Sixty-four per cent of consumers who say they feel a relationship to a brand cite "shared values" as the primary reason, reports the Harvard Business Review. Brands, for their part, are getting it. Nearly 70% of CMOs say connecting their brand to social issues is an important way to engage consumers. And as younger consumers become wealthier and overtake older generations in spending power, their desire to see brands perform ethically is expected to grow.

Trend 5 - Well-crafted customer experiences that enhance the purchase process will help brands build a loyal following

The impulse to offer experiences explains why, in the midst of the so-called retail apocalypse, ecommerce companies are pouring money into brick-and-mortar locations. Direct-to-consumer brands want to surprise and delight consumers and help them fall in love with the treatment around the product. And it works. Eighty-six per cent of buyers say they will pay more for a better customer experience, and companies that prioritise the customer experience earned a 43% performance increase, according to Vision Critical. Today's brand value propositions are not about products but how they make buyers feel.

This is an excerpt from our report, '5 Trends Inspiring the Future of Brand Authenticity.' For more insight, download a complimentary copy of the full report.

Further learning

Influencer Marketing Training

The Digital Outlook: What's hot for marketers in 2019?

8. Advertising

8.1. Connected TV: Time to test?

The connected TV landscape

Connected TV advertising has been much discussed for the past couple of years and although there are many challenges, changes in viewing habits are making it difficult to ignore the possibility that TV advertising could one day be programmatic.

The UK is a particularly mature market for connected TV, with penetration of smart TVs at 42% in 2017 according to Ofcom. The regulator's figures also show UK streaming service subscriptions are roughly equal to that of traditional pay TV subscriptions, such as Sky, both around 15 million.

However, despite all this talk of 'cord cutters' and 'cord nevers', connected TV advertising is very much in the experimental phase. In an interview with ExchangeWire, Kevin O'Reilly, CTO at TVSquared, claims that addressable TV advertising accounts for only 3% of US TV adspend.

Challenges

Scale and fragmentation

According to Comscore's 2018 State of OTT report, 75% of time spent watching streaming services via connected TV is dedicated to Netflix, Amazon, Hulu and YouTube. It is no surprise that the audience for advertising is limited, given Netflix and Amazon Prime Video carry no ads.

The inventory that is available is fragmented among streaming services, some TV networks, smart TV and set-top box manufacturers, and content aggregators.

Fragmentation makes it difficult to seamlessly add connected TV ads to a campaign. In a white paper released in December 2018, IAB Europe highlights a "real need to define ad tech standards", stating that "lack of consolidation and standards make it difficult to have an integrated online video strategy."

The report continues: "The question then becomes, what framework should connected TV adopt when both publishers and advertisers are expecting the automation of inventory management and buying models?"

BARB's Project Dovetail is one initiative aiming to help. Started in 2018, the project is working to provide an audited measure of total reach across all devices.

Advertising

"Buyers should work with broadcasters to make the most of the information at your disposal to ensure your targeting is as accurate and successful as possible."

Joel Livesey, director of partnerships, EMEA, The Trade Desk Inc.

Measurement

"A lot of advertisers will think it's just like buying digital: I can now track actions that happen on a website or foot traffic to a store. That is a myth," claims Raphael Rivilla, partner for media and connections planning at Marcus Thomas, talking to Digiday last year.

Like smartphones, TVs cannot be cookied and measurement tags do not work. And although their IP addresses can be collected and used to target other devices in the household, this is limited by some set-top devices. This means reporting cannot go beyond ad completion rates or view-through rates. There are also implications for targeting and frequency capping.

Joel Livesey, director of partnerships, EMEA at The Trade Desk (one of the ad tech platforms offering connected TV advertising), writes on the Econsultancy blog in 2018 that "buyers should work with broadcasters to make the most of the information at your disposal to ensure your targeting is as accurate and successful as possible. Logins, device IDs, IP addresses, device graphs, behaviour and location data – the more varied, the better."

Martyn Bentley, commercial director UK at AudienceProject, also writing on the Econsultancy blog, adds that "longer term, it is in the key players' commercial interest to allow third-party measurement and sharing of their non-linear viewing data so that their nascent collaboration can bear the richest fruit."

Benefits for advertisers

There may be big challenges, but there are also benefits that suggest connected TV advertising is worth investigating in 2019.

A premium environment

The reason that connected TV advertising is exciting is the same reason traditional TV advertising is exciting – a trusted medium that delivers a great experience for a viewer in 'lean back' mode. Ads are accepted on TV in a way they are not yet on many publisher websites or social networks, where video can be an interruption.

Anna Forbes, UK general manager at The Trade Desk, highlights more of the benefits of TV inventory:

"Historically, the only way to reach users with video content online and at scale was through user generated content platforms. But it's difficult to control ad placement on platforms where content is being uploaded so quickly – and, while it certainly allows advertisers to reach millions of users, there's no way to ensure videos are aligned with content that meets brand objectives."

Personalisation and engagement

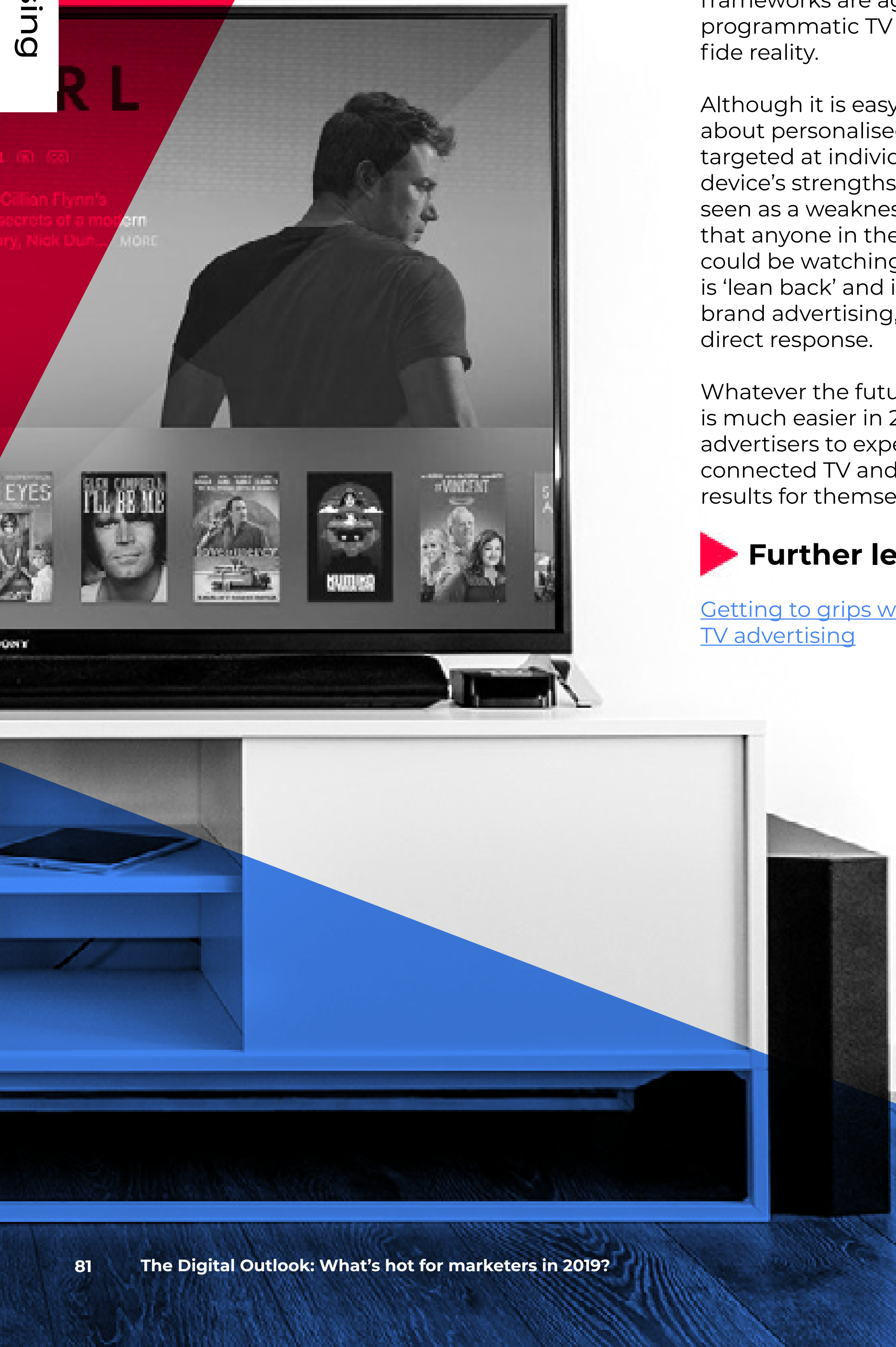
Although Daniel Gilbert, CEO of BrainLabs, commented in 2017 that "all TV advertising will eventually be bought programmatically," he added the caveat that "at the moment, programmatic linear TV isn't really a thing, so our focus has been on video-on-demand advertising, especially in terms of measuring performance and using insights to optimise ad content and targeting."

"With one client," he continued, "we found that using Ad Select [where users get a choice of creative] increased conversion rates by as much as 1,200% for one ad and 680% on another. On average, people were 10 times more likely to convert with ad select rather than a single video."

The Trade Desk's Livesey contends that connected TV can be used as "an insight engine." In early 2018, he wrote on the Econsultancy blog:

"Advertisers can learn a huge amount about their target audience from their TV habits – from what they're watching to when and where they're tuning in. This makes CTV an invaluable tool for informing how advertisers can target consumers on other channels too.

"Rather than focusing on one-off interactions, use these insights to build a relationship with consumers."



The future of TV

It is perhaps only a matter of time before premium connected TV inventory increases, measurement frameworks are agreed on and programmatic TV becomes a bona fide reality.

Although it is easy to get excited about personalised TV ads targeted at individuals, the device's strengths could also be seen as a weakness – the fact that anyone in the household could be watching, or that TV is 'lean back' and is good for brand advertising, not necessarily direct response.

Whatever the future holds, it is much easier in 2019 for advertisers to experiment with connected TV and judge the results for themselves.

Further learning

[Getting to grips with Connected TV advertising]

8.2. Digital audio: Standardisation and scale

The digital audio landscape

A lot of people listen to digital audio – according to Statista, 1.2 billion people used a music streaming service in 2018 globally. And research from Infinite Dial states that 73 million podcasts are listened to every month by listeners in the US.

Alongside the appetite for audio, it is also an engaging format for advertising, as radio has proved for years. Unlike display, audio commands attention, and the fact that audio ads can be consumed while driving, cooking or exercising makes for better engagement rates. Add in the targeting that comes with digital audio and it is difficult to see at face value why audio advertising is not booming.

Digital audio spend as a whole is increasing, up from $1.1bn in 2016 to $1.6bn in 2017, according to the 2017 IAB internet advertising revenue report. But this is small fry when compared to the total digital advertising for the full year, measured at $88bn in the report, particularly when you consider that banner advertising is responsible for more than 30% of digital ad spend.

Programmatic audio is much smaller still, with the 2018 IAB Podcast Ad Revenue Study finding that annual and quarterly buys make up more than 70% of buy types. Programmatic sits at 0.7% of digital audio buys. In other words, there are lots of advertisers making deals, but fewer buying automatically targeted ad spots within digital audio inventory.

However, change was afoot in 2018. In May, Google's DSP, DoubleClick Bid Manager, announced programmatic audio impressions can now be purchased for Spotify, SoundCloud, Pandora, Google Play Music and TuneIn. In the same month, Pandora paid $145m to acquire AdsWizz, a digital audio adtech company with software that includes a programmatic platform, which Pandora uses to make its inventory available.

Spotify, in its Q3 2018 earnings, revealed that its self-serve programmatic platform (which rolled out from the US to Canada and UK in March) accounts for 20%-25% of revenue, up from 18% in February 2018.

Now could be the time to start experimenting with programmatic audio advertising.

Challenges for advertisers

Standardisation needed

Standardisation is a challenge for digital audio. There are two standards used. One is the Video Ad Serving Template (VAST) – used by Doubleclick Bid Manager and ad exchanges such as Rubicon Project. The other standard is the Digital Audio Ad Serving Template (DAAST), created by an IAB working group with the aim of bringing together the audio ad market.

Despite previously providing a VAST to DAAST transition schema, the IAB is sunsetting support for DAAST and championing VAST 4.1 protocol, which Rubicon Project explains "will allow audio inventory to move into the open marketplace, with the additional liquidity providing new opportunities for buying and selling audio at scale."

Scale limited by tech

Limited tech leads to perception of limited scale. Streaming platforms have only recently developed their own tech and further work is required to integrate with platforms where advertisers are already buying impressions at scale.

Podcasts have more severe limitations.

As Alison Weissbrot writes in AdExchanger, "When podcasts are streamed, only the owner of a podcast player app knows how long a person listened to an episode, where they skipped and stopped in that episode or whether they heard an ad. That makes it difficult to sell podcasts to brand advertisers, which want to apply the granular metrics they get in digital to their podcast buys."

This inability for advertisers to measure impressions in podcasts is a big turn off for advertisers.

People are listening to digital audio in great numbers, advertisers just need to be confident they can harness it and measure effectively.

Why should advertisers buy digital audio?

Looking at the bare numbers, Google reports on programmatic firm MightyHive's use of digital audio, namely Google Play Audio impressions bought through DoubleClick Bid Manager – tests that yielded completion rates above 95% and a click-through rate of 0.11% (on 7.5 million impressions targeted by age group). Although that CTR is way above the average for a banner, it is the completion rate that may be more significant, given that much of digital audio advertising will, like radio, not be direct response.

Whatever combination of ad formats advertisers want to use, it is clear that audio streaming, whether to freemium Spotify users or avid podcast listeners, offers an immersive environment for ads.

Streaming platforms have such rich data on their users, that the possibilities for creative are exciting as well, with production costs that may be attractive when compared to video.

You only have to look at the success of Spotify's own marketing campaign Wrapped, where users are delivered information about their personal tastes, to know that the relationship listeners have with their music is one that is more personal than television or video. Tapping into this relationship is the challenge for advertisers.

Further learning

[Leveraging Audio in Advertising: Streaming, Podcasts and Radio]

The Digital Outlook: What's hot for marketers in 2019?

9. B2B

9.1. B2B marketing: The challenge of transformation

The next five years may be challenging for B2B marketers.

They are going to face a digital talent shortage just as they are attempting to ramp up their internal marketing teams. They are also going to discover that digital transformation is about how people work together, rather than technology and the data it processes.

Above all, B2B marketers will see rapid changes in how their customers buy products and increased expectations for consumer-style digital experiences. Fortunately, the industry is anticipating a turbulent ride.

Procurement, talent and AI – upending the B2B customer relationship

Procurement departments are the engine of B2B sales, but they have a problem. In a 2017 press release, DHL reported that there are an estimated six supply chain job openings for every person qualified to fill them.

That shortage is going to accelerate a transition that is already taking place; artificial intelligence will automate and assist with important pieces of the procurement process. For businesses that sell to businesses, it is another way in which the traditional sales-driven approach is being replaced by a hybrid process where digital components precede and support the human element.

The imperative for marketers is to foster a new kind of data savvy; understanding how to define and surface product information in ways that are easy for algorithms to identify and evaluate. Think of it as the next generation of SEO with many of the same requirements – clean, detailed data that is shaped by human beings to appeal equally to machines and the buyers they represent.

B2B marketers are advised to conduct a review of how product data is created, where it 'lives' and how it is managed. Identify the contributors to that data and the stakeholders in how it is used. Map out how product data is disseminated to partners and how it gets updated.

Experience marketing and the best hope for loyalty

Anecdotally, we have seen B2B marketers report that their organisations have experienced a drop in brand loyalty in recent years.

Diminished loyalty is one of the costs of the digital revolution. Rapid commoditisation, reduced switching costs and digital-first startups have changed the equation for many sectors, and B2B is not immune.

Increasingly, business-side marketers are following the lead of consumer brands and focusing on improving digital (and offline) experiences to reinforce customer relationships. Remarkably, many B2B marketing leaders admit that they “sell an experience, not a product or service.”

The challenge for many is that an emphasis on experience demands a much higher level of digital expertise and technical agility. Business people do not leave their expectations for speed and service at home, and they have little patience for slow and byzantine processes. Retailers and consumer services companies have taught them to expect more.

If there is internal resistance to making new investments in digital customer experience, B2B marketers can conduct a usability study of their website and several key competitors. This exercise will identify flaws in the existing process that may be easy to address, as well as help set a priority for investment if the site underperforms against the competition.

In-sourced everything?

The growing emphasis on customer data has driven many companies to re-evaluate their agency relationships with an eye to bring some or all of the marketing function in-house.

It is an appealing and increasingly practical prospect in B2C where 80% of media dollars are spent on only two outlets, but does it make sense in B2B?

Not surprisingly, it depends.

Certainly, every organisation should have mastery over their customer data and B2B companies have sometimes lagged in accruing the skills and technology to have a real grasp in marketing technology and data. The drive to improve is a good one.

However, B2B marketing organisations should take a hard look at themselves and their overall needs before breaking with the agency/partner model.

In-sourcing requires a significant investment in digital talent that is difficult to find and harder to keep. The challenge for many B2B organisations is that with smaller digital teams, the loss of one or two key players in a quarter can hamstring execution for months. Institutional knowledge is hard won and quickly lost.

Meanwhile, agencies are evolving to respond to the market. Pricing models are becoming more responsive, agency teams are increasingly co-locating and the need to provide secure data services is a top priority.

There is no singular answer, but there is a right approach for every organisation.

Action: Use Econsultancy's Digital Skills Assessment as a starting point to evaluate where your teams are today and where they need to develop. Then audit your organisations past success in keeping key talent – how long did it take to hire them and how long did they stay? The output will give you a good idea of whether your marketing organisation is ready to strike out on its own.

Transformation leaves the tech phase

The technology of marketing keeps evolving and has been at the centre of many digital transformation efforts. But while tech can contribute to fundamental change, it is rarely the only factor in success.

Today, as B2B marketing organisations assemble significant technology stacks, it is time to refocus on the human element. According to the Future of Marketing Omnibus, two-thirds of marketers (B2B and B2C combined) say that they "lack the skills/talent required to make the most of marketing technology."

The requirements for marketing are expanding and they demand new and evolving skills. The goal of transformation should not be to assemble the perfect combination of people, tech and capabilities for today, but to become the kind of organisation that can add and recombine those elements quickly. Eighty-one per cent of companies that have undergone a significant digital transformation agree that it can "only be successful if it allows the organisation to become more adaptable."

One key is to foster an environment of perpetual learning, which makes marketing (or any division) more flexible than those that rely heavily on hiring for new skills.

To identify the new skills and capabilities you will require, start with the customer. Use Econsultancy's Customer Journey Mapping Canvas to identify the how to get them into the process and accelerate it. From there, work backwards into the skills, capabilities and data you will need.

Further learning

Customised Training Programmes

The Digital Outlook: What's hot for marketers in 2019?

10. People and skills

10.1. Modern marketing skills in 2019

Categorising modern marketing skills

Econsultancy is constantly analysing and evaluating marketing trends and their underlying technologies. Some of these trends turn into fads, while others present new ways of managing marketing tactics and engaging with audiences. In these latter cases, new skills may also be required.

For some tools, skills can be quick to learn but in other cases, new approaches can impact how organisations invest in technology and organise capability. In such instances, marketers need to be adaptable to change, open to learning new skills and able to collaborate with colleagues via multidisciplinary teams.

As such, when Econsultancy, for our How Marketers Learn report, interviewed senior marketers and reviewed the literature about the skills most important for marketers to succeed, it became clear that the word 'skill' was being used to describe a range of qualities and characteristics that marketers should possess.

For example, when interviewees were asked to name a skill that they deemed to be important for marketers to have, the word 'curiosity' came up many times. While being curious is an admirable quality for marketers to possess, it is not strictly a 'skill'. Curiosity is better described as a characteristic or a 'mindset' that marketers should ideally possess.

For this reason, Econsultancy classifies modern marketing qualities into three distinct but related categories: knowledge, skills and mindset. Skills can be further categorised into hard skills and soft skills.

Modern marketing skills

Source: Econsultancy

Econsultancy

Understanding marketing fundamentals

As a baseline, in research for Econsultancy's 2018 Career and Salary Survey Report, marketers were asked if they had completed a qualification or training programme that is marketing-related. More than half (55%) of respondents said no.

While opinions on the requirement to hold a formal marketing qualification differ among marketers, most interviewees were clear about the need for marketers to have a knowledge of marketing concepts such as segmentation, targeting and positioning. At the very least, marketers need to understand the difference between strategy and tactics.

A solid understanding of marketing fundamentals provides the cognitive scaffolding to analyse and critically evaluate new digital tactics and tools as they emerge. Marketers without this knowledge may fall victim to the whims of the latest spin around which digital marketing channel is hot.

Specialists beget generalists

The balance between specialist and generalist marketing skills continues to shift. As organisations make use of enterprise machine learning tools, outsourcing may become more prevalent rather than trying to hire the people in house. Systems integrators, vendors and agencies may be able to provide a frame of reference for such tools that might not be available in house.

For this reason, marketers who 'specialise' in brand, business strategy and the underlying consumer may be best placed to contextualise how well the functional use cases of new tools and technologies align with what the business is trying to achieve. In this sense, along with a recognition of the value of knowing marketing fundamentals, the value of generalist marketing skills is once again on the rise. To competently evaluate such tools may require the broader skills and knowledge of the generalist marketer than the technologist, who may have more of a one-dimensional view.

Econsultancy's Guide to the Modern Marketing Model and Organisational Structures set out an interface role, that of the marketing technologist, to bridge the gap between marketing and IT. In this sense, the marketing technologist can blend a functional knowledge of technology and a deep knowledge of marketing and strategy to design and connect marketing technology tools to each other and to the broader technology architecture.

Readers should consider this fundamental truth of modern marketing: digital marketers will need to learn more about wider marketing concepts and classical marketers need to learn more about digital.

That is not to say that the role of the 'specialist' is on the decline. Digital is not going away. New tools and technologies continue to become available and marketing will continue to require deep technical skills.

Readers should consider this fundamental truth of modern marketing: digital marketers will need to learn more about wider marketing concepts and classical marketers need to learn more about digital.

Marketers are staking their futures on data skills

Econsultancy's Modern Marketing Model (M3) clearly positions data as a marketing asset. This means that a solid understanding of data is non-negotiable. As an asset, data can serve two primary functions:

1. It can inform the business about its customers. This includes customer insights like traditional research methods, as well as digital approaches. There is now far more data available via analytics and social media platforms that can enrich customer insight.

2. It enables marketers to understand and evaluate which tactics are and are not working. This includes marketing operations, campaign optimisation and other marketing activities.

Notice that each point reinforces the other. It is important to know and understand customers to target them appropriately. Once this has been done, there is a need to measure what is working.

Marketers need to make use of data to collect insights about customer demographics, online browsing patterns and offline customer journey patterns, social media activities including sentiment analysis, as well as interaction and transaction records. This means that marketing requires dedicated roles and capabilities around data, analytics, measurement and optimisation.

Automated systems will only increase the availability and scope of data, and so marketers will need to be able to interpret this information effectively. For a forthcoming report, Econsultancy asked marketers: “In the future, if you could stake your career on learning one skill, what would it be?”. The top response was “data analysis and measurement”.

This comes as no surprise. Just as marketers had to learn about digital marketing, now they need to learn about data. That does not mean that marketers need to become data scientists but at the least they should know what the different types of data are so that they can start to think more like data analysts. Conversely, while working in multidisciplinary teams, data analysts will need to start thinking like marketers.

Soft skills

As much hype as there may be to learn about data or technology, modern marketing requires a plethora of skills and mindsets that no single person may possess. Modern marketers need to work in multidisciplinary teams with professionals who might not identify themselves as marketers per se, but who still have a role to play in delivering the marketing strategy. This requires important soft skills such as collaboration and communication, which surfaced as the two most important soft skills for marketers to possess during 20 interviews completed for Econsultancy’s Skills of the Modern Marketer report.

Benjamin Franklin said: “An investment in knowledge pays the best interest”. From the point of view of the individual marketer, being open to and actively pursuing learning brings self-awareness and an understanding of one’s place in, and impact on, the organisation.

In the face of continuous change, whether marketers consider themselves as generalists or specialists, the one thing that they can do to equip themselves with the ability to adapt to those changes is to learn how to learn. A good start is to read Econsultancy’s report How Marketers Learn, which distils and contextualises the academic and professional literature on the topic of learning and development for marketers.

Further learning

Fast Track to Modern Marketing

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