

10 key predictions in the future of online marketing

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Article Highlights

By 2016...

- · Regulators will seal our legal fate
- · Auction based buys will capture the real value of a marketing impression
- Television will cease to be the spoke of the consumer advertising wheel
- · We will not be buying ad space, we will be buying audiences
- · Facebook will become the infrastructure of branding
- Everything will be connected independent of devices
- Interactive channels will be the most important part of the brand/consumer relationship
- Data and the social graph will play an integral role in marketing
- App-based behavior will completely change consumer marketing
- · Pre-campaign planning will be replaced by planning during the campaign



The evolution of the digital marketing landscape and the pace at which brands, services providers and technology enablers need to adapt to the rapid change in media consumption and the fragmentation of users and their demands across the industry is a complex issue. As marketers prepare for 2012 and beyond, they search for the most relevant trends that may impact their businesses and the way they operate online. In light of their 10th anniversary, <u>DQNA</u> had industry leaders from three different continents share their thoughts with key predictions on what the future holds for the interactive advertising industry. Below are some thoughts, based on 10 predictions from "The Future of Online Marketing" book; "a must have book".

By 2016, online advertising will no longer be about where consumers hang around and which media they use the most. It will all come down to the following: who are these users, and what do brands know about them that will enable them to efficiently interact with them using relevant ads that can be customised on-the-fly. As a result,

- The future is interactive and everything will be online or online connected.
- · Goodbye to push welcome pull strategy.
- The internet will be mobile. Have you checked the stats on global mobile internet usage?

This revolutionary change will render the old pre-campaign planning strategy useless as intelligence will become the cornerstone to drive campaign performance.

1. Regulators will seal our legal fate

The issue of the Cookie law proposed by the EU in 2009 led to widespread criticism as many in the industry felt it was misguided, ill-informed and at the expense of the industry's business interest.

Not only do cookies make ads become relevant, they do a great deal in minimizing waste for both the advertiser and user. Basically, without cookies users get more irritated as they may be forced to view ads that are entirely not in their line of interest.

The EU Directive requires prior consent for "storing of information", or the gaining of access to information already stored on a user's PC. Since it was a directive, it left opened to be interpreted and adopted in member states. There has been a great concern about the issue of standardization for organizations that operates in the European Union. Companies are left to figure out how to serve all the EU markets if each sate's interpretation will deviate from another. There will be no common ground as no single approach will satisfy all the laws in every member state. Even though the industry understands the online privacy concerns brought forward by legislators, without a more simplified privacy law that should address both the concern of users and the business interest of the industry, behavioral and personalized targeting will be a serious headache companies will have to deal with in order to stay in business.

2. Auction based buys will capture the real value of a marketing impression

As more marketers continue to seek greater control, transparency, and insight into how each ad dollar is spent, the role of Demand Side Platforms and technology enablers in facilitating auction based online ad buying is becoming increasingly important. Auction based online media buying in real time promises the greatest return for marketers and seeks to eliminate impressions waste that ROI-oriented marketers have been battling with for a long time. Real-Time-Bidding (RTB), based on audience data will become a "must" for marketers due to their potential to enhance campaign performance.

3. Television will cease to be the spoke of the consumer advertising wheel

The trends speak for themselves: Online ad spend is closing the gap with TV ad spend, the internet is now a major source for news even in real time, consumers are now in control so we continue to see more sophisticated targeting: 'one stone for one bird, rather than one stone for a unlimited number of birds'. Furthermore, the push by TV stations and their networks to an online model in order to secure their share of the online revenue pie will continue. Additionally, online ad spend will overtake TV in other major ad markets as it did in the UK. Moreover, online ads are cheaper, have a greater reach on a large number of internet enabled devices; they are efficient and can be customized and served in real time. Marketers with more innovative Pull Strategy will win. So goodbye, Push, welcome Pull.

4. We will not be buying ad space, we will be buying audiences

Audience data will be the ultimate tool to decide the fate of every online advertising campaign. As we enter into the era of an increasingly data-driven market where consumers play a central role and data is the king, the traditional ad space buying model will slowly disappear, in exchange for an audience-centric model with greater efficiency to eliminate campaign waste and enhance performance for marketers. Make no mistake; this is the most outstanding trend that every marketer, publisher, agency, data mining company, and technology enabler will have to watch out for.

5. Face book will become the infrastructure of branding

Brands will be engaged in a more user oriented approach in order to enhance engagement on their pages. A reward system (games, free content, etc), even though still not widely used by many brands, will become a 'most' as it will form the basis for the creation of brand evangelists that companies will need in order to have a strong fan base on SocNets in the future. With its new milestone of almost 700 million users and growing, face book will play the most significant role for every brand that aims to do it big on the internet.

6. Everything will be connected independent of devices

2016 will be about connection and what your device can do. As everything becomes connected, media communications will be simplified. The rate of compatibility will facilitate communication across multiple platforms. This will be in the advantage of not only the advertising industry but also users; as they browse contents across the web.

7. Interactive channels will be the most important part of the brand/consumer relationship

Healthy relationship with users will be propelled by a give-and-take approach. Brands will get hold of tools that enables direct interaction with users and manage their marketing loyalty programs. Value and relevance will define the nature of the interactions between online brands and their users.

8. Data and the social graph will play an integral role in marketing

Social information that enables brands to enrich customer data for more precise targeting and response prediction will continue to prove more relevant to brands in the years leading up to and after 2016. Many users engage in personal expressions (like, dislike, rating) during their sessions on SocNets. This will form an important part of users' behavioral assessment with regard to their pattern, the relative trends, and influencers. With a view of the social graph, brands will be able to establish how users are connected and the strength of connection to each other through the social graph analysis.

9. App-based behavior will completely change consumer marketing

Apps designed to enable the registration of a user's behavior are among the most outstanding trends in mobile marketing. With mobile internet usage and mobile search already ahead of desktop, behavioral and geotargeting apps will completely change the way ads are sold and consumed online.

10. Pre-campaign planning will be replaced by planning during the campaign

As the industry continues to move to a more audience-centric model, the traditional approach of selecting media choices to buy ad spaces from will be replaced by a new era of existing planning in real time auction market places where marketers place a high relevance on audience data. Instead of inventory, marketers will choose for audience based on valuable intelligence that satisfies an advertiser's requirement in real time.

These are just some thoughts on some of the predictions from the recently published "most have" Interactive book titled: The Future of Online Marketing, by <u>DQNA</u>. Get it straight from the horse's mouth, as Industry leaders across three different continents share their thoughts on what the future will look like by 2016.

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