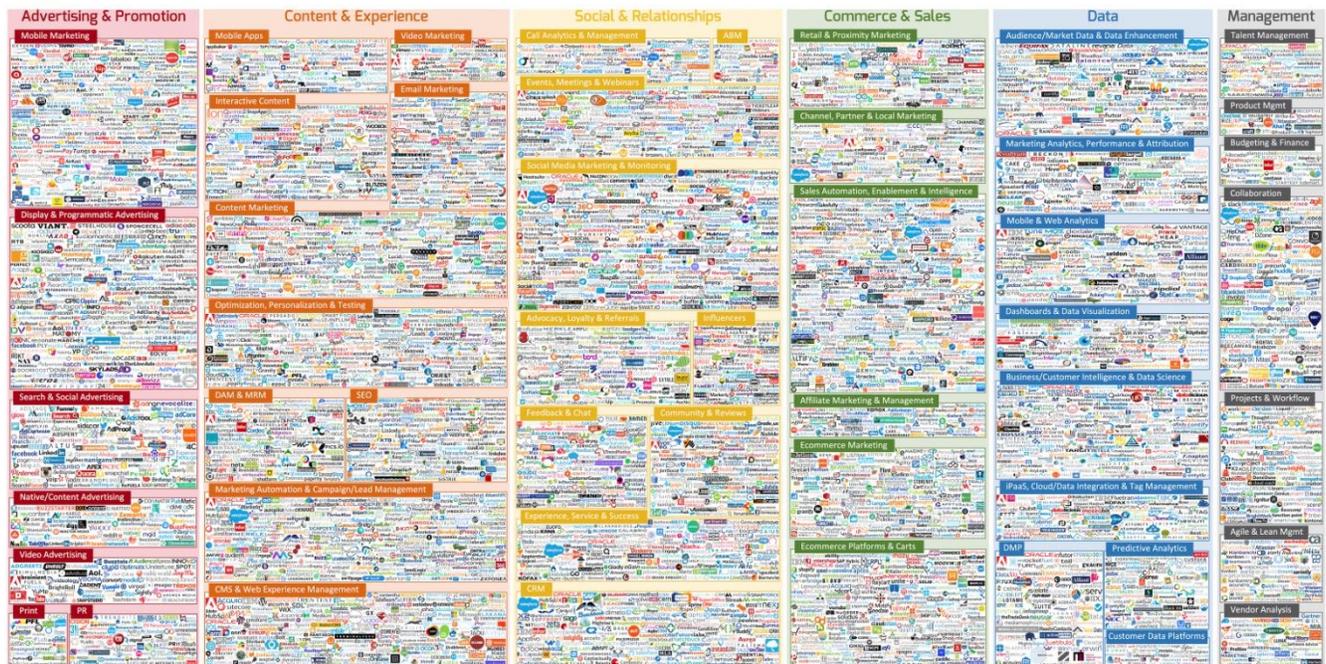


DIGITAL UPDATE REPORT FOR 2018

Digital Complexity continues to grow at an exhausting pace

 chiefmartec.com Marketing Technology Landscape (“Martech 5000”)

May 2017



Sources: CabinetM, Capterra, G2 Crowd, Google, LUMA Partners, Siftly, TrustRadius — see <http://chiefmartec.com/2017/05/marketing-technology-landscape-supergraphic-2017/> for details.

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As you can see from the above, the digital marketing landscape is very complex and continues to evolve rapidly. Not only do products evolve in existing categories, but new categories are coming on track faster than we as humans are able to understand and embrace them. The challenge for marketers and businesses owners is therefore compounding as we speak and keeping up will remain a daunting task as time progresses.

This report covers 2 distinct trend categories:

1. Digital Trends for 2018 – the summary results of Econsultancy’s 2018 Digital Trends report, published in association with Adobe, and
2. Top 10 social media trends for 2018 – the summary results of a report by Buffer Social that will shed some light on the social media landscape as it stands today.

The trend information contained herein should always be weighed against other potential marketing tools and data in order for it to be of maximum benefit. Using these trends blindly to create a strategy is not recommended, as all these trends may not be relevant for a particular business, market, audience or channel. The best use for this information is to assist with decision-making and help you to weigh up options for future strategy in a holistic review of your marketing strategy.

Neville Pokroy, [Mastermind Solutions Inc.](#)

Digital Trends for 2018

Econsultancy's 2018 Digital Trends report, published in association with Adobe, is based on a global survey of 12,795 marketing, creative and technology professionals in the digital industry across EMEA, North America and Asia Pacific. Now in its eighth year, the research looks at the most significant trends that will impact companies in the short to medium term.

Key insights from the research include:

Companies continue to focus on the customer experience (CX), as well as the content required to facilitate this. Organisations committed to CX are shown to outperform their peers.

- Asked about the single most exciting opportunity for the year ahead, optimising customer experience (19%) again comes out on top, ahead of data-driven marketing that focuses on the individual (16%) and creating compelling content for digital experiences (14%).
- Organisations with a 'cross-team approach with the customer at the heart of all initiatives' are nearly twice as likely to have exceeded their top 2017 business goal by a significant margin (20% vs. 11%).
- Just under two-thirds (62%) of companies agree they have 'a cohesive plan, long-term view and executive support for the future of [their] customer'.
- The top strategic priority for organisations in 2018 is content and experience management. Almost half (45%) of companies surveyed rank this as one of their three most important priority areas for the year ahead, with a fifth (20%) stating that this is their primary focus.

We are entering a 'design and creativity renaissance', with top-performing companies recognising the importance of these capabilities to complement data and technology excellence.

- The survey has found that just under three-quarters (73%) of respondents say their companies are investing in design to differentiate their brands.
- Organisations describing themselves as 'design-driven' are 69% more likely than their peers to have exceeded their 2017 business goals by a significant margin (22% vs. 13%). Similarly, organisations where creativity is highly valued are 46% more likely to have exceeded their 2017 business goals by a significant margin (19% vs. 13%).
- Organisations that 'have well-designed user journeys that facilitate clear communication and a seamless transaction' are 57% more likely to have significantly surpassed their 2017 business goals (22% vs. 14%).

Investment in technology and related skills is paying dividends, with integrated platforms fast-becoming a prerequisite for success.

- A lack of integrated marketing technology reduces the chances of providing a seamless customer experience, and can also be frustrating for marketers and other employees who want to go about their jobs without unnecessary restrictions in their ability to acquire, retain and delight customers.
- In terms of their tech setup, 43% of organisations report a fragmented approach with inconsistent integration between technologies. Top-performing companies are almost three times as likely as their mainstream peers to have invested in a highly-integrated, cloud-based technology stack (25% vs. 9%).
- Digital skills are vital for a range of marketing tools and platforms. Almost three-quarters (73%) of respondents agree that their companies are 'combining digital marketing skills with technology'. Companies doing this are nearly twice as likely to have surpassed their 2017 business goals by a significant margin (20% vs. 11%), according to our analysis.

Artificial Intelligence (AI) is set to play a growing role in helping marketers to deliver more compelling real-time experiences.

- When asked about the themes and technologies they are most excited about over a three-year timeframe, ‘delivering personalised experiences in real time’ is by far the most popular choice across all regions, with more than a third (36%) of company respondents, and 40% of their agency counterparts, selecting this option.
- Top -performing companies are more than twice as likely as their peers to be using AI for marketing (28% vs. 12%). Only 15% of companies are already using AI, but a further 31% are planning to do so in the next 12 months.
- Analysis of data is a key AI focus for businesses, with companies keen to create insight out of the vast quantities of often unstructured data being generated by customers’ activity. On-site personalisation is the second most-commonly cited use case for AI.

Top 10 social media trends for 2018

This report by **Buffer Social** is inspired by the annual Internet Trends report by Mary Meeker, a partner at Kleiner Perkins Caufield & Byers. Being one of the most anticipated reports every year, the Internet Trends report shares valuable insights and statistics about the technology industry. While our report is nowhere as comprehensive as the Internet Trends report, we hope to shed some light on the social media landscape.

This is an overview of the ten major social media trends happening right now:

1. There are now almost 2.5 billion social media users

Here is the current user base of the six major social media platforms:

- a. Facebook: 2.07 billion monthly active users
- b. Instagram: 800 million monthly active users
- c. Twitter: 330 million monthly active users
- d. LinkedIn: 500 million members
- e. Pinterest: 200 million monthly active users
- f. Snapchat: 178 million daily active users

2. Social media is going mobile

More and more people are also using social media on their smartphone. In fact, the majority of social media users are using the apps via their smartphone:

- a. Facebook: 94 percent of its monthly active users
- b. Instagram: Because it’s a mobile-first app, I think it’s safe to assume most of its users use the app on mobile
- c. Twitter: 82 percent of its monthly active users
- d. LinkedIn: 60 percent of its unique visitors access LinkedIn via a mobile device
- e. Pinterest: 80 percent of its traffic comes from mobile devices
- f. Snapchat: Snapchat only has a mobile app and no web application yet

3. Social messaging overtook social media

Since the rise of social media in the last decade, the rise of social messaging is the next transformational shift that's happening. **In fact, social messaging has already surpassed social media usage.** According to Business Insider, there are more people using the top four social messaging apps (WhatsApp, Messenger, WeChat, and Viber) than the top four social media apps (Facebook, Instagram, Twitter, and LinkedIn).

- a. Facebook Messenger alone has more than 1.3 billion monthly active users
- b. Instagram is officially testing a standalone messaging app, Direct.

The growth in social messaging is not showing signs of slowing down. Despite having three years of double-digit growth, the number of mobile messaging users is still growing at a significant rate.

4. Social messaging will greatly benefit businesses

People used to communicate with businesses via the phone, then emails, and then social media. Now, it's social messaging.

Facebook studied the messaging behavior of 12,500 people across 14 markets to understand consumers' growing preference for messaging businesses. They found that **messaging is helping businesses connect with their customers more than ever.** Consumers use messaging to ask businesses questions, make appointments and purchases, and provide feedback.

Here are some other findings:

- a. Fifty-six percent would rather message than call a business for customer service
- b. Sixty-one percent likes receiving personalized messages from businesses
- c. More than fifty percent prefers shopping with a business they can message

Facebook is also increasingly helping businesses reach their customers via messaging apps. **In 2017, they introduced Click-to-Messenger ads and Click-to-WhatsApp ads.**

5. Chatbots are becoming the norm

As Facebook Messenger grew, the number of bots in Messenger also grew — from 33,000 to more than 100,000 in just a year. There are also chatbots in WeChat, Slack, Viber, iMessage, and many other platforms.

A survey by Oracle found that 80 percent of senior marketing and sales executives around the world are already using chatbots for their business or plans to use them by 2020. It's easy to understand why. Chatbots can be used for a wide variety of purposes such as **marketing, payments, customer service,** and more. They will allow businesses to automate and scale many manual processes and enjoy massive cost-savings. Juniper Research estimated that chatbots will help businesses save up to \$8 billion every year by 2022.

According to Business Insider, chatbot adoption is also taking off on the consumer front. **More than half of Americans between the age of 18 and 55 have used chatbots before.** And consumers seem to be enjoying their interactions with chatbots, too. A survey of 5,000 people by LivePerson found that 38 percent felt positive about their chatbot experiences while only 11 percent felt negative.

6. Businesses can no longer afford to ignore social customer service

Customer service used to be private conversations between a customer and a customer service representative. Social media has changed that entirely.

The public nature of social media platforms is giving these conversations more exposure. A survey of more than 1,000 people by Sprout Social found that 46 percent of the respondents have “called out” or complained about a business on social media. Furthermore, with the ability to re-share a social media post, such complaints could be amplified and “go viral”.

Ignoring such social media posts can have dire repercussions for your business. Sprout Social discovered that, when shunned on social media, 30 percent of their respondents will go to a competitor and 26 percent will less likely use the company’s product or service. Such consequences help keep businesses accountable, and that’s why social media is now the top channel for customer service.

On the other hand, responding to these social media posts can have several positive effects for businesses:

- a. 70 percent are more likely to use your product or service
- b. 75 percent are likely to share the good experience on their own social media profile
- c. 73 percent will share the positive interaction with their friends

7. Social organic reach and referral traffic are plummeting

In 2014, the organic reach on Facebook has fallen to six percent from 12 percent just the year before. The organic reach on Facebook is likely even lower now as Facebook introduced changes to its algorithm to prioritize posts from family and friends rather than Pages. Both Instagram and Twitter also have an algorithmic timeline, which affects organic reach.

Referral traffic from social media has also been falling as a result of lower organic reach. When fewer people see your social media posts, even fewer will click on your links and visit your website. According to Parse.ly, which monitors the referral traffic to more than 2,500 online media sites, **referral traffic from Facebook — the top social referral source for many sites — has been almost halved in the past year.**

This is in line with **why we think organic social media is for engagement and brand building, not referral traffic or revenue. Social media is becoming an engagement channel.**

8. Video is still the most popular content type

Buzzsumo’s research on 880 million Facebook posts in 2017 found that video posts have the highest average engagement and twice the level of engagement of other post types on average

There are also many pieces of anecdotal evidence of the increasing popularity and importance of video. For example, Facebook and Instagram have been introducing many new video features over the recent years such as live videos and Stories. LinkedIn has also recently introduced native LinkedIn videos.

Marketers are also planning to spend more on video advertising in 2018. According to a survey by Animoto, more than 50 percent of marketers surveyed had planned to increase their spend on video ads on Facebook (63 percent), YouTube (60 percent), Twitter (52 percent), and Instagram (50 percent). **2018 will again be the year of video for social media.**

9. User-generated content can help drive reach and engagement

With organic reach on social media falling, businesses are looking around for alternative ways to reach their audiences. One of which is user-generated content.

Many major brands such as BMW, Netflix, and Starbucks are reposting user-generated content as part of their content strategy, especially on Instagram.

If you were to take a look at some statistics about user-generated content, it'll be easy to understand why.

- a. User-generated content featuring a brand drove seven times higher engagement than brand-generated Facebook posts
- b. Forty-five percent of the respondents of 4,500-people survey look at user-generated images for inspiration at least once a day
- c. Respondents of the same survey trust images from other consumers seven times more than ads
- d. Fifty-six percent of the respondents are more likely to buy a product after seeing a positive customer-generated post of it

Instead of producing their own content all the time, businesses are tapping into the power of their audience (and influencers) and reposting user-generated content, which generates more engagement and trust. By reposting their customers' social media posts, they are also encouraging more customers to post about their brands on social media, thereby increasing their brand reach.

10. Businesses are pouring more money into social ads

To combat falling organic reach and boost their social media marketing, businesses are also turning to social media advertising.

There are over six million Facebook advertisers and two million Instagram advertisers. Instagram added the second million advertisers in just six months.

Social media ad spending has also been on the rise, growing more than 20 percent annually. eMarketer estimates that this high growth rate would continue until at least 2018 while Advertising agency Zenith Optimedia predicts that social media ad spending will overtake newspaper ad spending by 2020.

The high growth in the number of social media advertisers and social media ad spending is a great indication of the effectiveness (or necessity) of social media ads for businesses.