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# Digital Marketing and Ecommerce Trends and Predictions for 2014

by Econsultancy CEO Ashley Friedlein

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# 1. Introduction

Each year I try to give my personal thoughts on what will be interesting and important in the world of digital marketing and ecommerce for the year ahead. These are somewhere between trends and predictions.

I haven't spent too much time on giving extensive justification for any of these. They are based largely on the many conversations I have with industry influencers and practitioners. And I also have to thank the Econsultancy editorial team for their help and input.

Where relevant I've tried to give links to further information if you want to delve deeper. The trends and predictions are not in order of importance, rather I've started with the more 'strategic' stuff and then followed the alphabetical order of the 10 core topics that Econsultancy covers.

I look forward to your thoughts and comments.



Ashley Friedlein  
CEO  
Econsultancy



## 1.1. About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy has over 250,000 subscribers, is used by more than 500,000 professionals every month, and has offices in New York, London and Singapore.

Econsultancy subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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## 2. The Big Picture

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

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

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

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

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

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

Whilst I do not predict any 'backlash' against digital in 2014 I do believe we'll see more talk about the customer - customer-centricity, customer experience, customer outcomes - and less focus on digital for digital's sake.

It is no accident that the most advanced digital players and thinkers are focused on what appear to be 'traditional' things. From retail giants going physical to the print-like design aesthetic and long-form journalism of [Medium](#), launched by Twitter founders Evan Williams and Biz Stone. No-one would claim digital music isn't here to stay and yet vinyl sales are at their highest levels for 15 years.

As I claimed in my [Digital Transformation presentation](#), a digital organisation is one that focuses on the customer experience irrespective of channel and has a digital culture. If you haven't already, read [Jeff Bezos' most recent letter to Amazon shareholders](#) to see this in action.

2014, and beyond, should be the year of the customer and we should focus on how digital can best support that.



### 3. Marketers' Digital Priorities for 2014

Below are just two charts which show what marketers expect to be focused on in terms of digital in 2014. The first is from Econsultancy, in partnership with Adobe, and the data is based on a survey conducted at the end of 2013 so very current. The second is from Smart Insights which I've included primarily to show how consistent the results are between our data and theirs. If you look across other surveys you will see similar results.

The winning hot topics are: social, data, mobile, customer experience, content marketing, multichannel and personalisation.

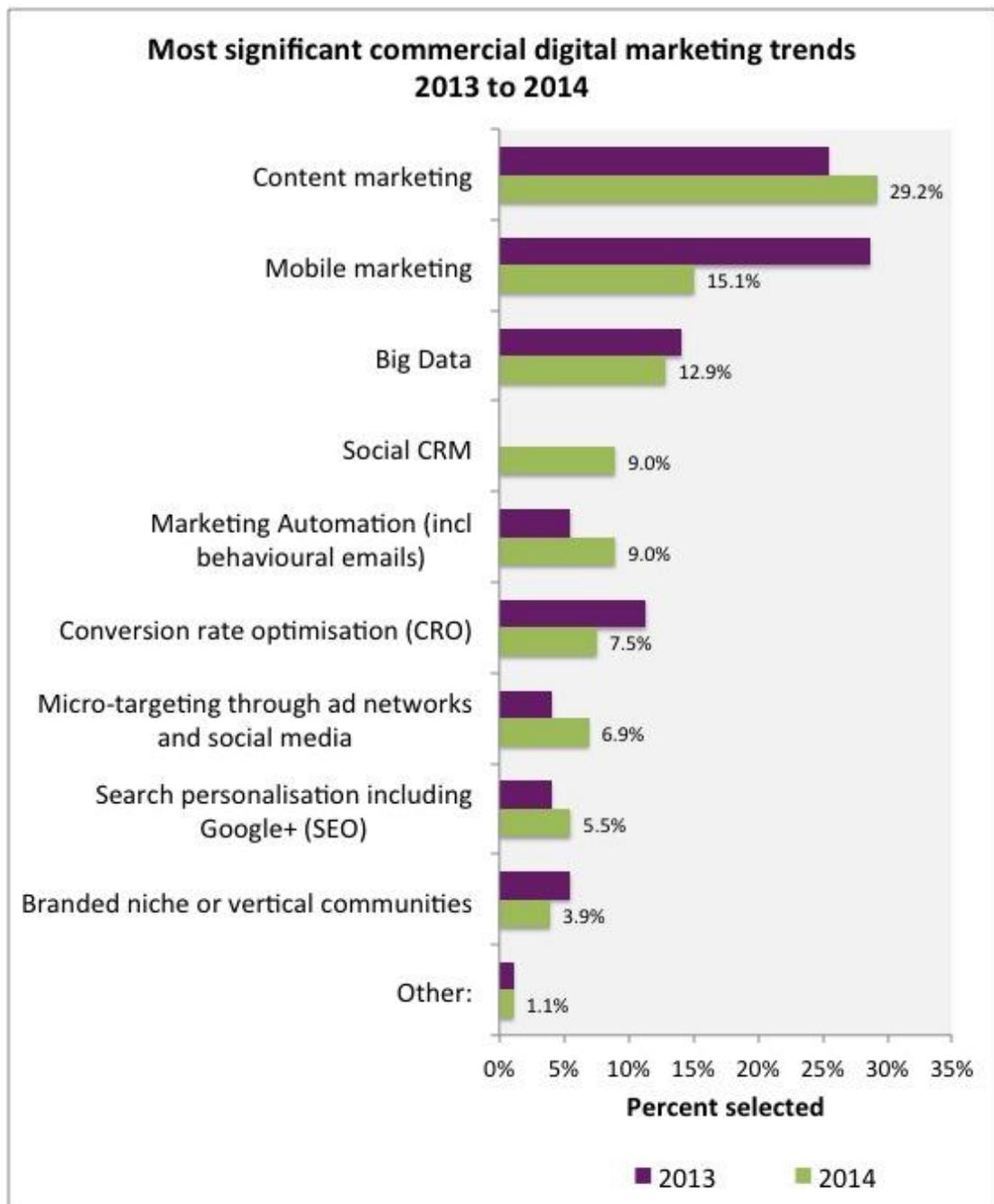
It is no surprise that as these are the biggest areas of focus, and opportunity, they also typically rate as the areas which marketers feel they are executing least well currently, the disciplines where there is the greatest shortage of talent, and the least clarity on measurement and ROI.

**Which one area is the single most exciting opportunity for your organization / clients in 2014?**



Source: Econsultancy / Adobe Digital Trends 2014





Source: Smart Insights User Survey 2013

## Further Econsultancy reading

**Econsultancy / Adobe Quarterly Digital Intelligence Briefings**  
<http://econsultancy.com/reports/quarterly-digital-intelligence-briefings>

**Econsultancy / Responsys Marketing Budgets Report (2014 version coming in January)**  
<http://econsultancy.com/reports/marketing-budgets>



## 4. Strategy & Operations

### 4.1. Digital Transformation

2014 will see more organisations undertaking programs of digital transformation across strategy, people, process and technology. Full details on my thoughts on this topic are in my [Digital Transformation Slideshare presentation embedded on the Econsultancy site](#).

### 4.2. Process & Culture

As part of the previous point, 2014 will see increased internal focus on: how to be more agile; how to be more innovative; how to operate with a 'real time' or 'always on' mentality; how to get teams working more collaboratively, particularly marketing and technology; how to apply social internally as part of a 'social enterprise'.

There will be a continued demand for [pi-shaped people](#) in digital and business more generally. These are people who have a depth in capability in both left brain and right brain thinking. As Angela Ahrendts, the Burberry CEO who is moving to Apple as SVP of Retail, says "we cherish right and we cherish left, but more important, we cherish when you are able to use the whole mind that you were born with."

### 4.3. Multichannel (aka Omnichannel)

2014 will see continued focus on how to join up online and offline channels to deliver better customer experiences and greater business value.

Largely this will be about bringing digital to the world of the physical: e-receipts at point of sale; Wi-Fi in the retail environment; store associates armed with tablets to bring the 'endless aisles' and personalisation of online to offline; remote servicing, collaboration and sales technologies in branches (like [Nationwide](#)); geo-targeted mobile promotions (like [Meat Pack's Hijack](#)); digital/experiential stores and showrooms (like [Audi's City London](#)); mobile adding a service layer to the store (like [Neiman Marcus' NM Service](#) app) etc.

However, we'll also see more of the digital becoming physical (like [eBay's click-and-collect deal with Argos](#) or [Google's Winter Wonderlab pop-up stores](#)) and lots of progress around delivery and fulfilment (like [Amazon Locker](#), [Asda opening collection points at tube stations in London](#), eBay's acquisition of Shutl for one-hour deliveries, [Tesco trialling pick-up at schools and parks in York](#), Waitrose's launch of [automated temperature-controlled lockers](#)). And, of course, delivery drones courtesy of Amazon...

Sticking with Angela Ahrendts quotes for the moment, she put it much more succinctly: "Online, offline, it's gotta be the same."

### 4.4. Growth

As the macro-economic situation looks more favourable companies are increasingly focused on (profitable) growth. They see digital as an opportunity to drive this. 2014 will see continued investment in digital though there will be an increasing focus on efficiency and profitability not just revenue growth.



## 4.5. Internationalisation

This relates to growth. As digital is inherently global and ecommerce can scale well, and profitably, 2014 will see more international expansion online, more translation of websites, more international search marketing etc.

### Further Econsultancy reading

#### **Organisational Structures and Resourcing Best Practice Guide**

<http://econsultancy.com/reports/digital-marketing-organisational-structures-and-resourcing-best-practice-guide>

#### **Digital Transformation Presentation by Ashley Friedlein (Slideshare)**

<http://econsultancy.com/training/digital-transformation>

#### **Digital Transformation: Innovation and Agility**

<http://econsultancy.com/reports/digital-transformation-agility-and-innovation-best-practice-guide>

#### **Channels in Concert: Trends in Integrated Marketing**

<http://econsultancy.com/reports/quarterly-digital-intelligence-briefing-integrated-marketing>



# 5. Advertising

## 5.1. Real Time Bidding (RTB) & Programmatic Premium

Investment in online display advertising showed strong growth in 2013, as illustrated in our [Online Advertisers Survey Report](#). The levels of take up of RTB and programmatic approaches, by both media owners and advertisers, have been strong. 62% of advertisers using RTB saw improved performance as a result. And on the publisher side almost 60% plan to increase their involvement in private marketplaces and SSPs (Supply Side Platforms) to gain more control over their inventory.

The demise of ad networks has long been predicted but not yet materialised. In 2014 I expect the use of RTB by advertisers and their agencies will continue to rise but the complexity of the SSP/DSP/exchanges ecosystem means there will continue to be a role for broader and niche ad networks albeit increasingly RTB-powered.

Publishers will continue to try to derive more value from online advertising. In part I expect we will see a return to the 'old-fashioned' tenancy type deals, or sponsorship, which (along with buttons and banner ads) characterised the early years of internet advertising. These will be for the larger publisher/advertiser relationships and to support brand and positioning objectives: arguably a form of 'content marketing'.

Publishers will continue to try to maximise the value of their inventory through private market places and SSPs but I expect there to be more focus on how they can use programmatic and RTB approaches to make their inventory more attractive to advertisers whilst not losing control of it to intermediaries like networks. Read our [Programmatic Marketing: Beyond RTB](#) guide for full details on this. 2014 will see publishers continue to invest in their own 'first party' data and insight into their audiences in order to grow ad yields through more premium selling.

## 5.2. Native Advertising and New Formats

'Native' advertising, known by a number of other names including 'organic advertising' or, sometimes, 'sponsored content', was a big buzzword in 2013 and this looks set to continue in 2014. Native ads are in formats designed for a specific platform, and take advantage of the way in which people use that platform.

The growth in use of the Facebook Exchange (FBX) in 2013 has led to experimentation in the form of 'Sponsored Stories' and 'Suggested Posts', which relate to the user's interests and activities on the platform. Insurance company Standard Life experimented with native advertising on Facebook and reported a 100% increase in click-through rate compared with standard targeted ads.

Native advertising is being embraced by a new wave of publishers like Buzzfeed. On [ShareThrough/SimpleReach's Native Ad Leaderboard](#), 17 of the top 25 ads are hosted on Buzzfeed. The site is currently the 167<sup>th</sup> most-visited website in the world, according to Alexa. Other new formats of advertising include [Pinterest's promoted pins](#), which were trialled in 2013, [adverts on Instagram](#), and [branded Vines](#).

In a survey carried out by Hexagram, all respondents forecast growth in spending levels on native advertising: brands expect to be spending 24% of their budget on native ads within a year. So 2014 will see continued experimentation by media owners, advertisers, and their agencies, alike. Initial evidence is positive but perhaps this is just because native ads are new and users are not yet tired or 'blind' to them. Equally it is not yet clear how to make creating, measuring and



optimising native ads scalable enough to be efficient in the long term – their very nature means they are all different across each platform.

## 5.3. Video

Video was huge in 2013, especially for YouTube which, according to Nielsen, reaches more US adults aged 18-34 than any cable network. YouTube receives more than 1bn unique visitors every month, to watch more than 6bn hours of video.

Between mid-2012 and mid-2013, mobile video advertising grew by 1,260% to £23m, and video's share of online and mobile display has grown by 50% to 18%.

Social is key for the success of online video advertising, and this trend will continue into 2014. The best video adverts of 2013 were shared up to 4.3million times, containing great content that people wanted to share, rather than overt marketing messages.

Changes are being made in the way that marketers advertise via video, with new formats emerging to help engage users for longer as well as directly sell products. New formats such as shoppable video were being tested by Google last year, and platforms such as WireWax and Kiosked are gaining momentum. Dynamic, personalised content can be generated using geo-targeting and service-provider data to display relevant prices, promotions, product information and more within the video.

Interactive video ads, containing games, surveys, or simply social sharing buttons will all feature in 2014, using ever more unique ways of engaging with consumers.

## 5.4. Targeting

The vast amounts of data available to marketers are increasing the options available for targeting and retargeting. Improved cleansing and segmentation of data, and increased targeting options from Facebook, LinkedIn and Twitter are allowing advertisers to target the user in intelligent ways, increasing CTRs and conversions.

In 2014, technologies will start to improve for matching up the consumer journey from online to offline, allowing advertisers to target consumers based on their high street purchasing behaviour, as is currently being attempted by I-Behaviour and Exponential among others.

Micro-targeting and micro-messaging are also set to be buzzwords in 2014. These are forms of targeting which take advantage of a multitude of datasets beyond demographic, combining these with consumer attitudes and behaviours to target like-minded people motivated by similar things. This could vastly improve efficiencies in display advertising, and 2014 is likely to see progress in this area, though mass adoption is some way off.

## 5.5. Localised & Geo-targeting

Geographic personalisation can allow advertisers to identify and serve personalised advertising relevant to the user's location. In the US, the mobile network xAd has begun to do this by letting advertisers re-target ads to people in the vicinity of a brand's billboard, via a partnership with Posterscope.

Increasing smartphone use is again having a major impact on the potential of this technology. Through owned apps, businesses are able to collect a large amount of data on consumers, and in particular, their location using a smartphone's GPS.



As consumers grow more comfortable with using mobile devices for browsing and shopping, they have become more open to receiving messages from brands via their mobiles. This introduces opportunities in 2014 for the increasing use of geo-targeting tools such as geo-fencing: targeting customers within a virtual geographical perimeter who have opted to receive messages.

Technology such as this will be limited by consumer acceptance. Though increasing numbers of mobile owners have used their device for making a purchase and allow apps to access their data, concerns still abound around data privacy, which are not likely to abate in 2014.

## 5.6. Mobile

At the start of 2013, more than half of UK smartphone owners said they had never seen an advert on their smartphone, according to a Mobile Consumer Report published by Nielsen. However, 2013 was the year in which many brands finally reached the point where smartphones and tablets now account for a majority of their site traffic.

This meant an increasing focus on mobile marketing strategy. 60% of businesses are now implementing strategies for integrating mobile into their broader marketing campaigns. The past year also saw Google making mobile a priority in its Hummingbird update, which looked to accommodate the fact that more searches are being conducted, and more content consumed, on smartphones.

As 4G is rolled out across mobile networks, using mobiles for, and while, shopping is becoming an increasingly enjoyable experience. Research from eBay showed that purchases from the site were more likely to be made via a tablet than any other device. With more eyes than ever on mobile devices, the opportunities for advertising to this audience are ripe for exploitation. According to the [Econsultancy/Responsys Cross-Channel Marketing Report](#), the proportion of respondents who were advertising via mobile search and mobile display advertising had increased significantly from 2012 to 2013.

Brands are likely to get further on board with mobile advertising in 2014. However, before mobile advertising becomes a standard part of every marketing strategy we will first see an effort to optimise websites for mobile. Brands have realised that there is little point in a mobile campaign driving customers to a site which is not properly optimised for the device, as this leads to the customer being frustrated, and therefore low conversion rates and poor return on investment. Mobile advertising will really start to take off once the part of the customer journey after the mobile click is fixed. This should be towards the end of 2014.

### Further Econsultancy reading

#### **Econsultancy / Rubicon Project Online Advertising Survey**

<http://econsultancy.com/reports/online-advertising-survey>

#### **Online Video Best Practice Guide**

<http://econsultancy.com/reports/online-video-best-practice-guide>

#### **Programmatic Marketing Beyond RTB**

<http://econsultancy.com/reports/programmatic-marketing-beyond-rtb>

#### **Econsultancy / Responsys Cross-Channel Marketing Report**

<http://econsultancy.com/reports/cross-channel-marketing-report>



## 6. Content

### 6.1. Long-form vs. Short-form

Over 2013 and into 2014 the rush has been towards short-form content. Our Twitter-addled fifth-screening media-stacking attention cannot cope with more than about 30 seconds of video content or a paragraph of text. The listicle (i.e. short-form writing based on a list) has flourished.

In 2014 I predict a resurgence of long-form content – longer videos, in-depth articles, detailed research, and even digital marketing and ecommerce predictions that go beyond 30 pages. This does not mean short-form content is on the wane. What is happening is that content is polarising. It is either fast, topical, short, shareable, ephemeral (think Twitter, SnapChat etc); or it is curated, and aggregated, into a personalised media experience (think Flipboard, and emerging start-ups like [Fraggl](#) etc); or it is long-form for deeper insight, interest or entertainment. Nic Newman, a digital strategist, has covered this polarisation in his excellent [Journalism Media and Technology Predictions 2014 report](#).

In a post-ironic, post-digital, world the latter is most fashionable right now – witness [Matter](#) (“The new home for deep, intelligent journalism about science, technology, and the future”) which was bought only five months after launch by the Twitter-founders-backed [Medium](#).

What does not appear to work is something that is notably similar to a standard daily, or weekly, print magazine or newspaper article – neither quick enough, nor short enough, nor long enough, nor multimedia enough to please anyone. Beware of being in the wrong place on the [Quartz Curve](#).

At one end of the spectrum we have content that disappears once you’ve sent it (Snapchat); at the other we have [Longform](#) which aggregates and curates long content. In journalism we have [fastFT](#) but we also have New York Times’ ‘[Snow Fall](#)’ project. We have short-form Vines, InstaVids, MixBits and Tumblr GIFs; but a [24hr long music video](#) from Pharrell Williams and brands commissioning long-form content reminiscent of [BMW Films – The Hire](#) (from way back in 2009 can you believe).

### 6.2. Data as Content

The last year or so has seen the ascendancy of the infographic. But in 2014 we’ll see more ‘content’ that is actually (much of it live) data. Like [Daily Mail’s Stats dashboard](#) where data about content makes for compelling content itself. Trinity Mirror has launched a new data-driven site called [ampp3d](#) which promises a “topical, factual data-driven site from the Daily Mirror, making journalism more accessible through data visualisations and infographics.”

New tools, open source code and services (like [Google Charts](#), [Chartbeat](#), [Highcharts](#)) are making it easier to turn data into content. Editorial teams are increasingly recruiting data specialists to help with this and we’ll see more hiring in 2014. I expect to see more interactive timelines this year, more live data including [more sites publishing their usage stats publicly](#).

### 6.3. Authority & Influence

Content marketing cannot work if it is broad and shallow. Brands will need to be very clear about where they can be authoritative and focus on that. This relates strongly to SEO (search engine optimization) too where attributes like AuthorRank are becoming more important.



Influence goes hand in hand in with authority. We'll see more focus on influencers in 2014 (see the section on Social), more of an appreciation of the value of niche networks and their strong ties. Clearly this is very much the domain of PR.

## 6.4. Personas and the Decision Journey

We know about multichannel customer behaviour when it comes to decision-making: research or purchase can occur online or offline. 2014 will see further investment in content that supports different personas at different stages of the buying process.

## 6.5. Agile

Most of the efforts to date around content have been focused around better planning, scheduling and production of content. This provides the necessary backbone for content marketing but in 2014 we will see increased efforts to be more fluid, more reactive, more agile around the use and creation of content particularly in social media.

## 6.6. Curation

Content curation, and aggregation, will grow in 2014 in part because customers increasingly value editorial filtering in itself but also because it is too expensive to rely solely on the creation of unique new content in keeping up a high enough volume and flow of content.

## 6.7. Responsive

There will be an ongoing push to make all digital assets, including all forms of content, responsive, so they render for the device being used and deliver the optimal experience. This is driven largely by the growing use of mobile devices. There is little point investing in content if, say, 40% of those who come across it cannot properly experience it.

## 6.8. Video & Interactive Storytelling

Over 40% of YouTube views are now on mobile devices. So for a start video will become more responsive over 2014 as per the previous point. But we will see continued investment in video generally as a content format. The focus has been on short form content but 2014 will see more long form video content coming out. Equally we will see more investment in HTML5-powered immersive interactive experiences. The New York Times has recently recruited almost 20 new staff members to work on new news formats including video and interactive media.

## 6.9. Distribution

We have perhaps focused too much on the 'content' and too little on the 'marketing' in content marketing. In 2014 we will see more focus on the distribution of content, including, for example, internationalisation, translation of content, geographic scheduling of content dissemination e.g. tweets choreographed by time zone.

## 6.10. Sanctions

As content marketing becomes increasingly big business (about a fifth of advertising budget was spent on content marketing last year, according to TNS) it will attract more scrutiny. Recently the US Federal Trade Commission held a conference called "Blurred Lines: Advertising or Content" – a platform to send a warning message to the world of 'content marketing' that sponsored content



(aka “native/organic advertising” etc) should not be dressed up as editorial. In 2014 I expect regulatory organisations to fire further warning shots directed at brands.

## 6.11. Backlash against the Backlash

Following the hype around ‘content marketing’ in 2013 we will inevitably see a backlash in the ‘trough of disillusionment’ many will experience in 2014 with much agonising around measurement and ROI. That backlash has already begun.

In our [Modern Marketing Manifesto](#) last year I wrote “We believe that content marketing and the focus on owned and earned media represents a fundamental shift in marketing that is more than a fad.” So I’ve bet on the long term success of content marketing. In 2014 we will also see the fight back against the backlash. It was posted last year but I can’t say it better than Doug Kessler in his piece “[Why the content marketing backlash is getting it wrong](#)”. That article is, of course, content about content marketing that’s great content marketing.

### Further Econsultancy reading

#### **Modern Marketing Manifesto**

<http://econsultancy.com/blog/62668-our-modern-marketing-manifesto-will-you-sign>

#### **From Content Management to Customer Experience**

<http://econsultancy.com/reports/quarterly-digital-intelligence-briefing-from-content-management-to-customer-experience-management>

#### **B2B Content Marketing Best Practice Guide**

<http://econsultancy.com/reports/b2b-content-marketing-best-practice-guide>



# 7. Customer Experience

## 7.1. CEM

Marketers are increasingly looking at the customer experience from a joined-up multichannel viewpoint. As a result we'll see further focus on the customer journey, customer personas, touchpoint mapping etc. as organisations seek to understand how customers interact with them across all the various channels to improve and optimise the overall experience.

In 2014 I expect 'customer experience management' (CEM) to become a popular catch-all phrase that many will use. I expect, for example, that CMSs (Content Management System), ESPs (Email Service Provider), MVTs (Multivariate Testing), Optimisation-Targeting-Analytics-etc offerings will morph towards CEM (Customer Experience Management) solutions. CEM covers not only customer acquisition but the entire customer lifecycle and across all channels.

## 7.2. Physical Reshaped by Digital

The marrying of digital and physical is a 'megatrend' that cuts across most of our digital marketing topics so is largely covered elsewhere. But perhaps the most interesting customer experience trend here is how the availability of the digital experience (via mobile as well as in-store digital technology) is reshaping the physical environment.

I predict that we will see a significant reshaping of the High Street mix and shopping experience in the coming years as many retailers reduce the physical space they take up in favour of experiential digital 'layers' which allow them to showcase and sell their full product inventory with no additional floor space. Equally we'll see more pureplays opening physical presences as a form of marketing, branding and customer experience as well as to give more delivery, pick up and return options to customers. I like the concept of "[Storytailing](#)" where shops are becoming perhaps "80% story and 20% store". Arguably this is where 'content marketing' meets 'customer experience' within an omnichannel context.

## 7.3. Web Design & Mobile First

Combined mobile and tablet traffic will be higher than desktop traffic for many consumer-focused companies this year. This will happen whether or not firms are ready for it.

Responsive and adaptive design will come to the rescue. Companies have been scrambling to adapt their websites for smaller screen sizes, and there have been some [incredible success stories](#).

Reworking websites for the mobile age can also help firms to inject some much-needed agility into their business.

What [web design trends will we see in 2014](#)?

- More love for flat design
- More websites built using HTML5, CSS3 and jQuery
- A focus on micro UX
- Scrolling
- CSS will replace images
- Richer content experiences
- Lots of cards and tiles



- Fixed position navigation
- Iconography

## 7.4. The Personalisation Gap

This should be the year when [personalisation](#) really takes hold. Email, social, marketing comms, mobile, [in-store](#), and the web experience will all become much more laser-guided towards individuals.

[An IBM study](#) found that 90% of customers want better personalisation, and “are willing to spend 20 minutes to set up their information to help retailers give them a better experience”. However, the same study discovered that less than a third of retailers are able to make the most of this.

As such, there is a considerable gap between customer expectation and meaningful personalisation, and this is a gap that will close in 2014 as companies invest in personalisation.

Partly, this has been driven by the recent chatter about ‘big data’, which was probably the single most popular buzzphrase of 2013. Few companies yet have a clear idea about how big data can help their business, but there is plenty of opportunity in the relatively ‘little’ data that is personal, customer data, be it implicit or explicit. This kind of data can really help improve the customer experience, by making it more personal, more relevant and more targeted.

Retailers will likely push fastest and hardest on personalisation efforts but banks, telcos, media businesses and travel companies are also keen to accelerate their personalisation efforts. 2014 should see some new buzzwords in this area – [“Me-tail”](#) is up there with ‘omnichannel’.

## 7.5. Internet of Everything, Wearables & Sensory Marketing

If ‘big data’ and 3D printing were amongst the hottest tech trends last year, 2014 looks set to be a good year for developments around the Internet of Things (IoT) and, in particular, ‘wearables’. Neither are new, of course, with Google Glass, connected cars, Nest appliances, Fitbit, Fuelband, Jawbone, Pebble and others all fuelling interest last year. Wearables is very close to [the quantified self or life-logging](#) trend.

Whatever exactly happens this year it is sure to open up a whole new world of interfaces and customer experience opportunities and challenges. If Apple do release an iWatch then I’d expect it to drive new interaction possibilities just as they did with touch and swipe tablets.

Indeed a whole range of sensors (like Apple’s M7 motion co-processors already in new iPhones) will usher in an era where ‘sensory marketing’ and customer experiences are possible. These sensors know whether you are walking, running or travelling by car or train; they know about your glucose, blood, sweat, sleep patterns, weight; they know about the health of your plants and pets. Combine these sensors with hardware, be that like Google Glass, or virtual reality headsets such as the [Oculus Rift](#) (just raised \$75 million) for immersive gaming, the first [Space Glasses from Meta](#), or fabrics, and the customer experience opportunities are very exciting indeed.

The [Structure Sensor](#) is the first 3D sensor for mobile devices. Imagine being able to take a 3D image and sharing that with someone who can then print it out using a 3D printer. The opportunities for transformative business models and customer experiences when you can literally share and replicate physical products anywhere around the world are very exciting.

New forms of interface are also emerging which appeal to our senses and fit well with wearables and the internet of everything.



Gestural interfaces were popularised by Kinect, last year the Leap Motion 3D Controller got a lot of attention and now we have [Myo](#) whose armband senses gesture through your muscle movement to seamlessly interpret what your hands and fingers are doing and transmits that information over bluetooth to communicate with digital devices. Wave your hands to control your personal drone...

Then there is voice as an interface. [Nuance](#), which powers Siri, has developed a cloud-based voice-control system which could see all sorts of objects being controllable by voice. The main players in voice (Nuance, Apple, Google) are quickly moving towards much more natural, conversational, voice interactions. You see this in Google's natural search efforts (see section 12.1).

And if you thought that smell and taste were beyond the domain of digital you should [watch IBM's 5 in 5 video](#) to see how cognitive computing can enhance all five of our senses.

This year the focus is likely to be around home appliances that are internet-connected and health and fitness apps and wrist bands. These have been pioneered largely by start-ups (Nest, Jawbone etc) to date but 2014 will see the bigger players (Samsung, LG etc) more active in launching similar products.

So 2014 is unlikely to open up 'mainstream' opportunities for most marketers to take advantage of all these new interactions and experiences but it will be a fascinating area to watch. As people get more used to objects being web-enabled and connected, more comfortable using the new interfaces and sensors that are available, and more at home creating their own personalised services and experiences using services like IFTTT (If This, Then That – a web service that triggers events based on rules you can define) then a whole new world of customer experience opportunity beckons.

## 7.6. 3D Printing

I am very excited about the potential of 3D printing and how this might reinvent, or create, entire business models as well as drastically reshaping customer experiences. Combined with emerging 3D image capture technology (see previous point) things get even more interesting.

However, we won't see this happening at any meaningful scale in 2014. Prices are coming down and 3D printers will be more easily available this year but the use cases are still being worked through and are most likely in a B2B context for now. There are still a whole host of IP questions to be resolved in an environment where physical goods can be copied as easily as digital assets and this will further hold up the commercial acceleration of 3D printed offerings.

## 7.7. Service

In 2014 more firms will wake up to the fact that good service means good business. Unless you charge peanuts, customers will expect better service than ever. Providing excellent service is a great way of improving customer advocacy, with all the benefits that come with that.

A decade ago it was de rigueur to reduce service costs, outsourcing call centres to far-flung destinations, as a means of improving profits. Nowadays that seems short sighted, and it pays to invest in service.

More companies will strive to improve service levels this year, to meet the demands of their customers, who are becoming far less tolerant of poor service.

Social media integration will be paramount, as channels like Twitter and Facebook have become increasingly noisy. The only reason people choose to complain via social is because they cannot tolerate long hold times and automated telephone systems, or 'no-reply' email addresses.



## 7.8. Delivery, Delivery, Delivery

In the past couple of years we have conducted significant research into delivery trends. It is clear that [customers are expecting a much better delivery experience](#), and some will pay a premium to ensure that they receive items precisely when they need them to arrive.

Some highlights:

- 50% of online shoppers will abandon a purchase if delivery options are inadequate.
- About a quarter of customers want to buy online and collect in store.
- 68% of retailers now offer next day delivery (Micros survey).

In 2014 retailers will broaden the range of shipping options, with same day and evening delivery added to the mix. In addition, companies will focus on improving the delivery experience for their more valuable customers. Higher value orders will be picked, packed and shipped first.

### Further Econsultancy reading

#### **Integrated Customer Experience Report**

<http://econsultancy.com/reports/integrated-customer-experience-report>

#### **Reducing Customer Struggle**

<http://econsultancy.com/reports/reducing-customer-struggle>



## 8. Data & Analytics

### 8.1. Big Data

It pains me even to write 'big data' as I have never liked the term. It focuses too much energy and debate on the phrase itself when the important thing, in my view, is simply that organisations should be increasingly data-driven in their decision making.

Fortunately I think most of people have tired now of debating what 'big data' means. Without wishing to re-open that definition minefield I don't think most organisations' data is as 'big' as some of them seem to think it is. And it doesn't really matter. 2014 will just be about the improved use of data to drive insight, action and value in a huge number of ways. The last few years have been about putting the systems, technology and people in place. There will still be an ongoing war for data talent but the use of data across organisations will finally become more 'business as usual' in 2014.

### 8.2. New Sources of Data

With businesses working towards increasing their data management capabilities, the time is ripe for the types of data that that can be gathered to expand. There are many new solutions, like Gigya and Sumall41, now available to help connect and visualise these various data sources allowing marketers to drive actionable insights.

Wearable technology will continue to be adopted by consumers, with multiple brands [demonstrating their smartwatches at CES 2014](#). Although some devices, like LG's fridge which has texting functionality, may not really meet a real consumer need, it's clear that the Internet of Things will continue to become more of an everyday reality. Cisco [believe it to be a \\$19 trillion market](#). However big it ends up being there will certainly be all sorts of new data available from these 'things'.

As marketers [increase their investment in mobile](#) there will be plenty more data coming from there too. More retailers will use [iBeacons and Bluetooth Low Energy \(BLE\)](#) in store, not only to give consumers more personal experiences, but to gather information about their customers and their preferences. Apple is leading the way on this, having [added iBeacons to all their US stores](#). Start-ups like [Viewsy](#) will add to the digitisation of the retail floor, by providing insight into customer behaviour in physical spaces.

Whilst internet of things and mobile location data might provide new sources of information to enrich what marketers already have over 2014, social data has been available for a while. Whilst there are case studies of how social data has been used effectively, they are few and far between. There is plenty of data available: each tweet contains 31 publicly documented data fields for example. And researchers at Facebook and Cornell University were able to predict a relationship break-up 60 days before it happened based on social data signals on the site.

Hopefully in 2014 we'll see more examples of 'social CRM' or 'social personalisation' in practice as well as experiments using the data derived from newer tech, and related consumer experiences and behaviour, like BLE, Wearables etc.

### 8.3. Personalisation

Personalisation is a broader theme we championed in our [Modern Marketing Manifesto](#). It really belongs in all our categories. Whilst it offers great opportunities to improve the customer experience and thereby improve key metrics like conversion rates and loyalty it also poses some challenges for measurement and analysis because the experience delivered is increasingly real-



time, context-sensitive, different by device, and dynamic for the ‘segment of one’. This will pose increasing challenges over 2014 for analysts in terms of reporting and recommendations.

The main areas of development and interest in 2014 for personalisation will be: providing an increasingly [personalised experience in store](#); moving from personalisation based on retrospective data to more [proactive and predictive personalisation](#); increased marketing automation efforts where personalisation is based on behavioural data and triggers; a general thrust to make personalisation more [real-time and integrated across online and offline channels](#). All of these make data and analytics more valuable, more exciting, but more complex and fragmented. So people who are good with data will stay in high demand for 2014!

## 8.4. Privacy

Privacy in the broad sense was a big topic in 2013 largely because of Snowden’s NSA revelations. [Snapchat’s leak of 4.6 million usernames and numbers](#) is one of a number of recent hacks on platforms that has further raised awareness, and sensitivity, towards the giving, and use, of personal data. The degree to which this impacts marketers’ ability to collect and use data is yet to be fully seen.

However I expect 2014 to see consumers taking steps to protect and control their identities online more than they have in the past. [Project Tor](#), software which prevents others, including government agencies and corporations, from knowing your location or tracking browsing habits has picked up steam, growing from 500,000 users to four million worldwide. Google, among others, is also giving out less and less data to marketers but empowering users to control their profiles and personal data at a more granular level.

Experimentation with facial recognition technology, geo-targeted mobile communications, wearable devices which might be filming you without your explicit permission... all of these emerging technologies and marketing approaches will no doubt give rise to media scares and a degree of privacy outcry over 2014 as we all try and figure out what is acceptable or not. Meanwhile the legislation feels a long way behind.

## 8.5. Data as Content

2014 will also see data used as content in more creative ways. While the infographic may have slightly lost its allure, organisations are finding new ways to present data-driven visualisations. Time managed to show just how many people were [tweeting about Beyoncé following her new album](#) in a fashion the Queen of Pop would be delighted with.

The NBA placed a big bet on data being an important part of its content offering by launching a [dedicated site purely for stats](#). As well as improving game analysis, the site provides endless fuel to [share on social media](#), as well as equipping fans and bloggers with enough fuel to create their own [content, theories and matrices](#).

## 8.6. Artificial Intelligence

Cloud computing has lowered the costs, and barriers to entry, of all sorts of technology which is particularly exciting for smaller businesses who can now compete with the bigger players. Big data is an obvious example. Artificial intelligence has not been an area that smaller companies have been able to take advantage of to date. However, thanks to the likes of [IBM’s Watson Ecosystem](#) (“the world’s first cognitive computing cloud platform”) this is now possible. Let’s hope we see some interesting and valuable case studies of this in action during 2014 particularly from smaller organisations making innovative use of the technology.



## 8.7. Multiscreen Analytics

2013 saw a lot of focus on attribution modelling and customer journey mapping. This was largely applied to the digital channels. In 2014 and beyond the challenge will be the measurement, analysis and insight around usage across multiple screens, of all sorts of sizes (phablets making the mobile/tablet/desktop distinction even murkier). These screens will increasingly be not just mobile but in-store (e.g. tablets or kiosks) and even worn by the customer (wearables). Analytics will be about screens and context rather than devices and channels. Optimisation, including (re)targeting and personalisation, will be orchestrated across these screens and according to context.

## 8.8. “Native Analytics”

In a similar way that various platforms are coming up with advertising formats and solutions that are designed especially for that platform, I expect 2014 to see those platforms also continuing to invest in, and evolve, the analytics and data solutions they provide. Analytics teams will need people who have specialist skills and knowledge in using these ‘native analytics’ offerings. Recent purchases show that the big players are committed to providing value through data and custom measurement propositions: Apple bought Topsy, Facebook purchased Onavo and Twitter bought Trendrr (and we saw Nielsen launch Twitter TV Ratings).

## 8.9. A Protocol for the Internet of Things

There is a lot of excitement around the internet of (every)things – see section 7.7 for more. If we think we’ve had a lot of data to deal with already, then we should prepare ourselves for a lot more data to come from these new sources. However, there is a challenge in as far as there is no standard protocol currently for all these objects to share data with one another.

So 2014 will see various initiatives to try and address this. [Wolfram Connected Devices](#), announced at CES last week, is one such development.

### Further Econsultancy reading

#### Online Measurement and Strategy Report

<http://econsultancy.com/reports/online-measurement-and-strategy-report>



## 9. Ecommerce

### 9.1. Customer Experience

There is no immediate prospect of ecommerce growth slowing down in the short-term, but the market is becoming more saturated as more retailers invest in online channels. Businesses are adopting CRO (conversion rate optimization) more than before.

Margins may become tighter, and while price is still important, I think the smarter companies will seek to differentiate themselves through customer service, delivery and user experience. Simply having an ecommerce site will no longer be enough. Instead, brands will need to match and beat the experience offered by their competitors.

### 9.2. UX Testing & Optimisation

Testing and optimisation works, and this message is finally getting through to the majority of ecommerce sites. Our recent [Conversion Rate Optimization Report](#), in partnership with RedEye, found that 59% of businesses believe conversion rate optimisation is crucial to their overall digital marketing strategy but there are still barriers. These include lack of budget/resources and internal conflicts, but I think we'll see more of these barriers broken down in 2014.

There is still plenty of room for improvement on many ecommerce sites. Improved site search, more effective product page copy, removal of friction during checkout are just some areas where sites can improve conversion rates with better UX. As ecommerce competition heats up, conversion rate optimisation will become more and more important, and we'll see greater demand for specialists in this area.

### 9.3. Mobile & Responsive

It may have taken some time but most retailers have now recognised the need to optimise for mobile and tablet users. However, just when mobile sites and apps seemed to be the answer, responsive and adaptive design came along. When executed well, this is a more elegant solution as it takes the needs of tablet users into account, and it works. (See <http://econsultancy.com/blog/63185-14-brands-that-increased-conversion-rates-via-responsive-design>)

We'll see more examples of responsive/adaptive design to come. Those sites which adopted mobile early are likely to change tack to a more responsive approach, while the mobile laggards would probably do well to skip the apps and mobile sites and head straight to responsive. This doesn't necessarily have to be an either/or choice. Brands can choose the mix of solutions that works and suits their customer base most effectively. For example, while mobile or responsive sites will appeal to a broader range of users, apps can still be very valuable for more engaged customers or particularly rich forms of interaction (like games/experiences which use the phones hardware).

### 9.4. Pureplays Go Multichannel

Sites like Net-A-Porter and eBay have already experimented with pop-up shops, particularly around Christmas, but I think we will see more attempts to provide a multichannel service from pureplays. Delivery is a key element here, as people prefer to receive and return items on their own terms. For example, [Amazon now has 'Lockers' in 11 UK cities with plans for more](#). Normally



located at convenient spots such as supermarkets and petrol stations, these lockers allow customers to collect and return goods without the hassle of waiting for the delivery man.

Collect+, located in petrol stations and local stores offers a similar service. The use of such services is not limited to pureplays. Multichannel operators such as Schuh already use them to offer greater choice for their customers. However, they do allow internet-only retailers to offer some form of [click and collect, which has been very popular](#).

## 9.5. Personalisation

As covered in other sections previously, we'll see wider, and more sophisticated, [use of personalisation in ecommerce](#) over 2014. Retailers will look to tie up offline and online data to build up a picture of customer behaviour which will enable them to target emails and other forms of marketing more effectively.

Geo-personalisation is another area where ecommerce sites can prosper. Using simple data on the customer's location and weather conditions can help ecommerce players target visitors more effectively. There are plenty of other 'basics' that many sites have yet to address. For example, some research suggests that basket abandonment rates are growing (73.6% in Q1 2013 according to SaleCycle) and [recovery emails are a simple but effective tactic](#) to nudge potential buyers into a purchase. Personalisation based on social data ('social CRM') will see further experimentation though there are still few 'best practice' case studies in this area.

## 9.6. Payments

Smooth and easy ('frictionless') payments mean more sales for retailers and we'll see more innovation in this area in 2014. Amazon, which knows the value of smooth and easily repeatable transactions, has the potential to make a massive impact with the introduction late last year of its 'Pay with Amazon' service, a rival to PayPal (who have 'Login with PayPal') and other alternative payment options. With more than 215 million active customer accounts, this could be a very useful option for ecommerce sites to offer, while adding to Amazon's dominance of the ecommerce market.

Elsewhere, mobile payments are a key area to watch. In 2013, merchant-specific payment apps were arguably more successful than broader mobile payment solutions but this will change. [Mobile wallets](#), which store customers' payment and shipping details, could drastically improve conversion rates on mobile commerce sites (checkout and fiddly payment screens being the main barrier currently apart from speed).

Perhaps the most interesting area is that of payments linked to 'social'. Already there are peer-to-peer services like Barclays' PingIt, Droplet, Square Cash etc. And there have been experiments with Twitter: Starbucks lets people send credits for coffees to each other via Twitter and generated \$180,000 in six weeks; Amex teamed up with Twitter so Amex card holders could pay with a tweet. Most exciting, perhaps, is China's WeChat social platform which is directly commerce-enabled. Last November the phone manufacturer Xaomi sold 150,000 smartphones in less than 10 minutes on WeChat. In 2014 we'll see more exciting "social payments" experiments and partnerships.

2014 will see a lot of consolidation in the payments space. Larger payments organisations will scramble to speed up their pace of innovation as well as acquiring smaller players who, in turn, are challenged with how fast they can scale. Equally we will see a lot of interesting partnerships emerging in 2014 that span not just the payments' space directly but the broader ecosystem of those involved e.g. media companies and retailers.



## Further Econsultancy reading

### **Conversion Rate Optimization Report**

<http://econsultancy.com/reports/conversion-rate-optimization-report>

### **Ecommerce Statistics Compendium**

<http://econsultancy.com/reports/ecommerce-statistics>



## 10. Email and eCRM

### 10.1. Faster, Stronger...Smaller

Email is still a winner in ROI and has capabilities other channels lack for users and marketers. That's the good news. The bad news is that response rates for many have been slipping, modestly for some, sharply for others. It's not the death of email that gets predicted every year, but it is a resetting that is actually good for marketing.

2014 is the year when the emailers who rely on high volume and low morals really start to suffer. Between ambient noise in the inbox, Gmail's tabs and ISP level filtering, being a bad emailer is going to hurt and the race to the bottom is closing in on the finish. It is not dissimilar to SEO where 'black hat' is now not a game anyone wants to play.

This is great news for the marketers who have been carefully building and caring for their lists, who work hard to provide strong content and useful personalization. Nothing could be better for the industry and for email marketers than for the din to subside. Small is beautiful.

### 10.2. The Young & Email

We will face facts in 2014. Young people do not like email. Given a choice they'll use one of many apps or texting to keep in touch. For consumer marketers that sell to a youth market, email will remain a central tactic but its efficiency will erode. Instead of representing the single best channel for customer communications, email will be one of several – including social and apps – that consumers rely on. As time passes people entering the job market should increase their regular use of email, but not to the degree that marketers are used to.

### 10.3. Space & Time

We will see more innovation in real-time email delivery in 2014 than in the last 10 years.

The days of sending an email and knowing that it will happily sit in the inbox until the recipient reads every word in good time are ending. Mobile opens exceeded the desktop in 2013 and there is no going back.

But it is not just place, it is time. In a study of real-time marketing, 86% of respondents reported that they believe consumers increasingly expect companies to know where they are, and what they are doing, in order to deliver a more relevant experience.

### 10.4. Automation

The debate about whether automation is inevitable for individual marketing organizations is over. In a recent Econsultancy study, 92% of marketers agreed that consumers increasingly expect that we know who they are and what they want based on prior behaviour.

The conversation around automation and behavioural email marketing in 2014 will be about why we get it wrong so often and how to get it right. It will be about how companies make the mistake of installing technology but not a team to make it work. It will be about the companies using sophisticated automation tools to send email blasts and generic welcome messages. It will be about wasting money and time. This is a conversation that was had in 2013 but it will continue through 2014.



## 10.5. Testing & Optimisation

2014 is the year you get a budget for testing and optimising email, thanks to social media marketing and possibly even content marketing.

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

However, with email performance diminishing over time for marketers that do not test, tweak and optimise now is the time to establish the practice and culture of experimentation. If you haven't done it already then you will be optimising your emails for mobile (or making them more fully responsive for different screen sizes) in 2014. As with previous years we'll still all be trying to make our emails more relevant, behaviourally-triggered and personalised of course.

### Further Econsultancy reading

#### **Email Marketing Industry Census**

<http://econsultancy.com/reports/email-census>

#### **Email Marketing Best Practice Guide** (2014 version coming in February)

<http://econsultancy.com/reports/email-marketing-best-practice-guide>

#### **Email and eCRM Statistics**

<http://econsultancy.com/reports/email-ecrm-statistics>

#### **Customer Relationship Management in the Social Age**

<http://econsultancy.com/reports/customer-relationship-management-in-the-social-age-a-best-practice-guide>



# 11. Mobile

## 11.1. Mobile First

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

There was a predictable spike in mobile traffic over the festive period in 2013, with IBM reporting that on Boxing Day smartphones drove 29.9% of all online traffic versus tablets at 28% ([Christmas 2013 ecommerce stats round up: John Lewis, Amazon and m-commerce](#)).

But it's not just a seasonal phenomenon, as data from the NHS shows that mobile has accounted for more than 50% of its annual traffic for the past two years ([Mobile and desktop traffic: neck and neck?](#))

These examples are indicative of a wider trend, meaning that brands can no longer avoid the consumer shift towards smartphones and tablets. We can therefore expect to see brands take a mobile-first approach to the customer experience in 2014 and as part of this the shift towards responsive web design pick up pace ([Responsive design: 25 of the best sites from 2013](#)).

## 11.2. Speed Propels M-commerce

While smartphones are an essential tool for web browsing and product research, conversion rates from smartphone traffic remains extremely low compared with desktop and tablet ([Tablets account for a third of Boxing Day conversions and revenue from PPC](#)).

However the introduction of 4G networks is greatly improving the mobile web experience by enabling faster download and browsing speeds. As a result it's likely that there will be an uptick in revenue and conversions from smartphone shoppers in 2014 as people become more comfortable with m-commerce and the experience improves in a number of ways.

## 11.3. Mobile Payments

Much has been written about mobile payment technologies in recent years, but despite a few high profile trials ([Visa confirms mobile payments trial with Galaxy S3 at London Olympics](#)) consumers remain largely uninterested to date. At the moment shoppers are happy to pay using cash or credit cards, particularly as many stores now have a convenient 'tap and pay' option on their POS (point of sale) card reader.

One of the main problems is the fragmentation of the mobile payments industry and the fact that there are so many technologies vying for attention. NFC-enabled phones, mobile card readers, apps and mobile wallets ([2014: the year of 'Buy with Google'?](#)) are all potential solutions but each has their own problems and barriers to adoption.

And it may not be long before Apple enters the market with its own payment solution based on the iBeacon technology in its newest handsets ([iBeacons: what are they and why should marketers care?](#)). Many tout 2014 as the year of Bluetooth Low Energy (also covered in *Section 8*) but it is not clear yet why that is likely to triumph where NFC has failed to flourish. WPP agencies Joule, Kinetic and Mindshare are all currently trialling iBeacons software with several retailers to use as an in-store marketing tool, with the outcomes likely to go live shortly.

The key challenge in 2014 will be proving to consumers and retailers that mobile payments are safer, cheaper and more convenient than cash and credit cards. I expect to see continued launches and experiments but no clear winner this year.



## 11.4. Wearable Tech

While Google Glass is still some way off becoming an everyday product ([What we learned from trying Google Glass](#)), the Internet of Things will certainly extend into a wider range of consumer devices this year ([The Internet of Things: 10 things consumers should expect](#)).

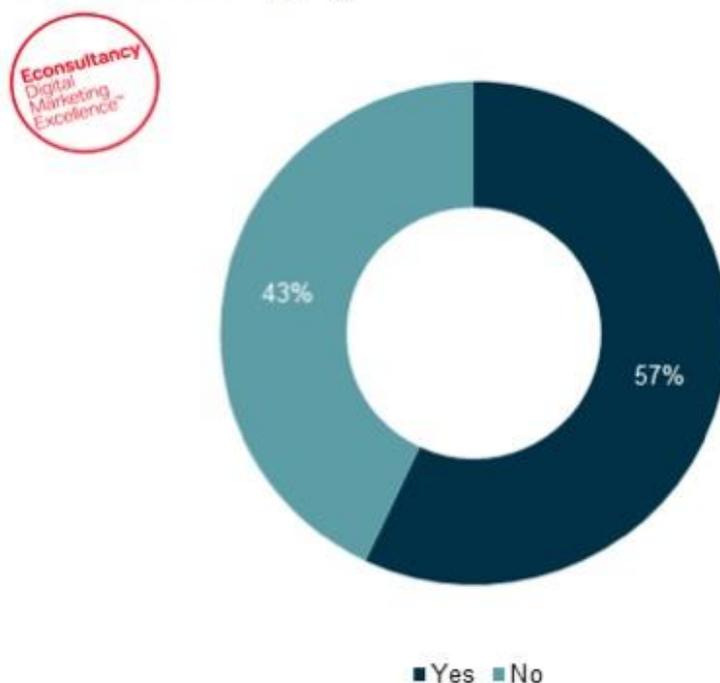
The success of Nike's FuelBand has shown that there is a demand for connected devices beyond smartphone and tablets, however it's up to tech companies to create simple products that don't require a huge change in existing human behaviours.

Despite poor reviews for its Galaxy Gear smartwatch, Samsung is reportedly planning to launch a new version in April and we can expect to see a range of similar devices come to market in 2014. As covered in *Section 7*, Wearable tech is a hot topic in the tech world (a lot of talk about this at CES in Vegas as I write) and will no doubt get a lot of column inches in 2014. But I don't see it being high on the priority list for digital marketers or ecommerce professionals this year.

## 11.5. In-store

Consumer use of mobile in-store is nothing new, with Econsultancy research showing that a majority (57%) of smartphone users now engage in 'showrooming' (see our [Mobile Commerce Compendium](#)).

Figure 7: Have you ever used your smartphone to search for helpful, relevant information while out shopping?



Respondents: 728

But despite the fact that just 11% of retailers see showrooming as a threat to their revenue (see the Econsultancy/BuyDesire [Mobile Marketing and Commerce Report 2013](#)), brands have been somewhat slow to alter the in-store experience to turn mobile to their own advantage.

In 2014 we can expect to see more brands adapting to consumer trends by offering a more interactive in-store experience, including free Wi-Fi and access to online product information,

price comparisons and reviews ([Why mobile apps and in-store Wi-Fi are central to B&Q's omnichannel retail strategy](#)).

Mobile can also be used to enhance 'click and collect' services, which have proved to be a growing revenue channel for many multichannel retailers ([15 stats that show why click-and-collect is so important for retailers](#)).

## 11.6. Tablets

Tablets are long past the point where they only appeal to early adopters, with [OFCOM stats](#) from August 2013 showing that at the time a quarter of UK households (24%) owned one of the devices. Household ownership rose to 32% by November. With Tesco, Aldi and Argos entering the market with a range of inexpensive devices more than 20 million extra tablets are expected to have been sold over Christmas. YouGov predicts that this year over 50% of households will own at least one tablet device. 15% of existing owners are looking to get an additional device. Most forecasts predict that this year tablet sales will exceed those of PCs.

Yet many brands and retailers have failed to correctly optimise their ecommerce or CMS platforms, thereby failing to capitalise on a potentially lucrative source of traffic.

Numerous studies have shown that revenue and conversions from tablets are equal to or higher than desktop ([50+ fascinating stats about mobile commerce in the UK](#)), so in 2014 those retailers who fail to cater for tablet users are likely to get left behind. At the very least site owners should check that their sites aren't broken experiences on tablets even if they aren't fully optimised.

## 11.7. Native Apps vs Mobile Web Apps

In the mobile OS wars I expect Android to continue to gain ground this year. Globally, 80% of smartphones and 60% of tablets now run the Android10 operating system. Increasingly new native app projects are favouring Android over iOS. Google Play looks set to overtake the Apple Store in terms of downloads this year.

However, I expect the majority of marketers to be focusing more this year on creating responsive sites that optimise the user experience for a range of screen sizes. There are fewer arguments now to develop native apps and maintain them across multiple OSs when HTML5 allows for such immersive experiences within the browser.

## 11.8. Location-Based Services & Geo-targeting

There has been excitement around LBS (Location-based services) for a few years but Apple's introduction of iBeacons with iOS7 last year has reignited interest. As a result Bluetooth Low Energy (BLE), also known as Bluetooth 4.0 or Bluetooth Smart, which is how iBeacons work, has become a hot topic for 2014. iBeacons are low-powered, low-cost transmitters that can notify nearby iOS 7 devices of their presence. They can also be used by Android.

Apple itself is the first to trial the use of iBeacons in their US stores and we're yet to know of the results. However, brands such as Starbucks, Subway and Tesco have all been experimenting with geo-targeted offers and content whilst in-store and iBeacons offer greater granularity and precision.

There are no shortage of other LBS/geo-targeting propositions already in the market and no doubt more to come in 2014. PayPal has its own [Beacon](#) offering for payments, and [Weve](#), the joint venture between telcos EE, O2 and Vodafone, is doing some interesting work and gaining traction with its combination of m-commerce, location-data and deep customer datasets. Weve is working with Ford, Tesco and Unilever among others.



2014 will see much further talk and experimentation around geo-targeting and LBS. It isn't clear yet which technology, if any, will win out though BLE will get a lot of attention in 2014. It is unlikely any of these will become mainstream, or best practice become clear, this year. But I'd expect to hear more about this topic (alongside m-commerce, wearables, omnichannel) at conferences through 2014.

## Further Econsultancy reading

### **Mobile Marketing and Commerce Report**

<http://econsultancy.com/reports/mobile-marketing-and-commerce-report>

### **Mobile Commerce Compendium**

<http://econsultancy.com/reports/mobile-commerce-compendium>



## 12. Search Marketing - SEO

### 12.1. Natural Language

2014 will see an increased movement towards search engines becoming more human. Users will start to ask questions in their own voice rather than just type in keywords. This is particularly true for mobile devices, where people may find it easier to speak into their phone rather than type out a search query.

Technologies such as [Google Voice Search](#) and [Apple's Siri](#) will continue to improve to the point users feel more comfortable using them. [Google's Hummingbird update](#) indicates the future of search will be more about 'semantic search' than just the keyword string. This may impact on the SEO planning process, in addition to the amount of success marketers have previously enjoyed from organic search.

### 12.2. Context

While Hummingbird and semantic search looks to recognise the context of language, 2014 will see further improvements to the contextualisation of search based on other factors. This has already started to happen, but the continual refining of algorithms combined with the continuous input of data will mean the search experience will continue to change.

Many blogs have already introduced tools such as Google Authorship in an attempt to boost results, but I expect a greater emphasis on the use of [rich snippets and structured data](#) in an attempt to provide search engines with the data they need to provide the best results. This is of particular importance for local search, but other forms of rich snippets such as [authorship](#) are useful and will likely become more so in the future.

Mobile, location, social networks, prior browsing and other factors will continue to influence the search results. In particular, those that do not support mobile sites (whether in terms of using Flash for iPhones, or have long page-loading times over mobile data connections) will be penalised further. As [Google has said](#) in its [mobile guidelines](#):

*"We must deliver and render the above the fold (ATF) content in under one second, which allows the user to begin interacting with the page as soon as possible."*

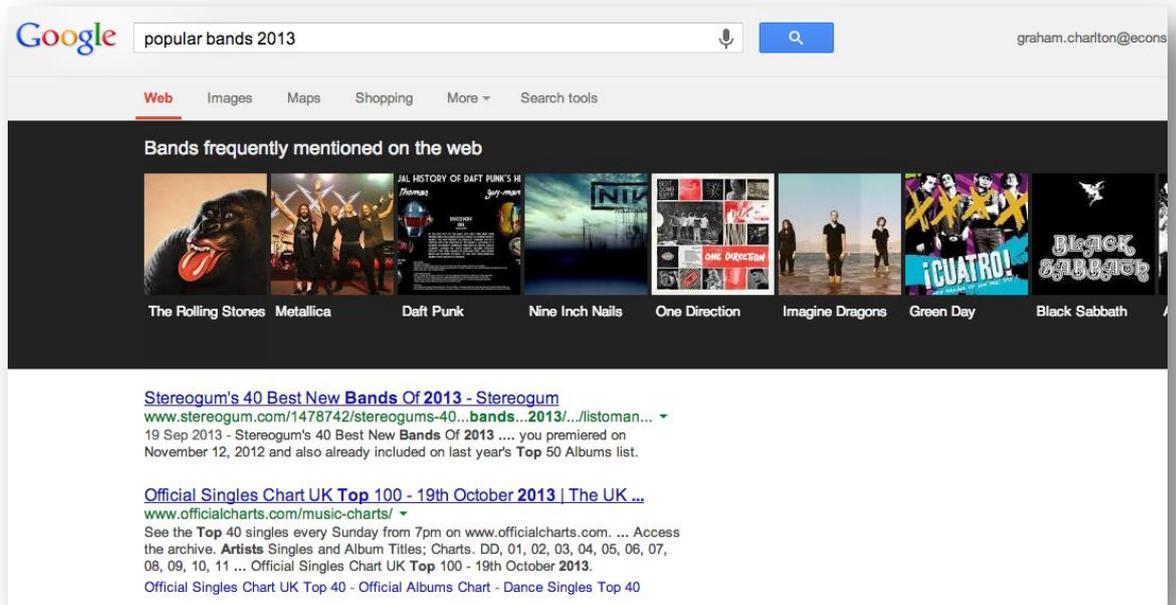
In practice, this means that allowing for mobile data connection speeds, sites will have to make sure the server response and client-side rendering can occur in less than 0.4 seconds.

### 12.3. Google World

For a long time now, in previous predictions, I've been saying that Google would continue to own more of the customer journey through the initial search, to exploration and research, even to buying. And indeed it is becoming increasingly easy for users to stay within Google's world to accomplish their tasks.

Google's Knowledge Graph provides the answer the user is searching for within Google itself, rather than requiring the user to click through to a page containing the result. This is significant news, especially for sites which monetise this type of traffic.





*A search for “popular bands 2013” requires no click through due to the ‘carousel’ function of Knowledge Graph*

In addition to this, Google has been stepping into spaces that directly compete with companies that advertise on its site. [Google Compare](#) will present offerings from financial service companies, possibly cutting down the potential revenue from price comparison sites. Depending on how bullish Google is with regulators and competition authorities, it would not be a surprise if it continued in this vein and stepped into different verticals.

The sheer variety of potential SERP layouts, with Google choosing to present different information in different ways means that SEO specialists are likely to become *industry* SEO specialists. For example, SEO for a credit card products will become very different to that for flights and holidays.

## 12.4. ROI Obfuscation

The lack of data within search (along with the increasing number of contextualised factors that determine search engine ranking) will mean that the emphasis on quality content that we saw following the Panda and Penguin updates will continue to strengthen. This is because in the context of little data stemming from [‘\(not provided\)’](#) and the switching off of data sources for many SEO tools, there will be less of an opportunity to make quick wins through the use of black hat or grey hat techniques. As a result, [content marketing will continue to be a hot topic](#) on the digital marketing agenda, with a [new emphasis on catering for natural language search](#).

While I do not predict a return to “half my marketing spend is wasted”, the longer lead time required in reaping the dividends from search-oriented content marketing may mean some hesitate to take the plunge into creating editorially driven content.

## 12.5. PR / SEO

One area which has consistently generated a good deal of discussion over 2013 [is the relationship between PR and SEO](#). Anyone carrying out PR should have a solid grasp of how their work can impact on search engine results and adapt their tactics accordingly. Likewise, SEOs who have



been building relationships can now compete with PRs for their budget as the relationships they have developed for links are often good for spreading awareness. Combine this with decreasing circulation of newspapers and it is easy to see the two blurring.

This points to a broader trend within SEO, which is that [it is further permeating \(and being permeated by\) other marketing disciplines](#). The top SEOs will be those who are T-shaped and can influence and take inspiration from other marketing areas. As achieving marketing goals is increasingly seen as requiring an integrated approach, I expect this to continue.

## Further Econsultancy reading

### **UK Search Engine Marketing Benchmark Report**

<http://econsultancy.com/reports/uk-search-engine-marketing-benchmark-report>

### **SEMPO State of Search Marketing Report 2012** (2014 version coming soon)

<http://econsultancy.com/reports/sem-po-state-of-search>

### **SEO Best Practice Guide**

<http://econsultancy.com/reports/SEO-best-practice-guide>

### **Baidu Search Best Practice Guide**

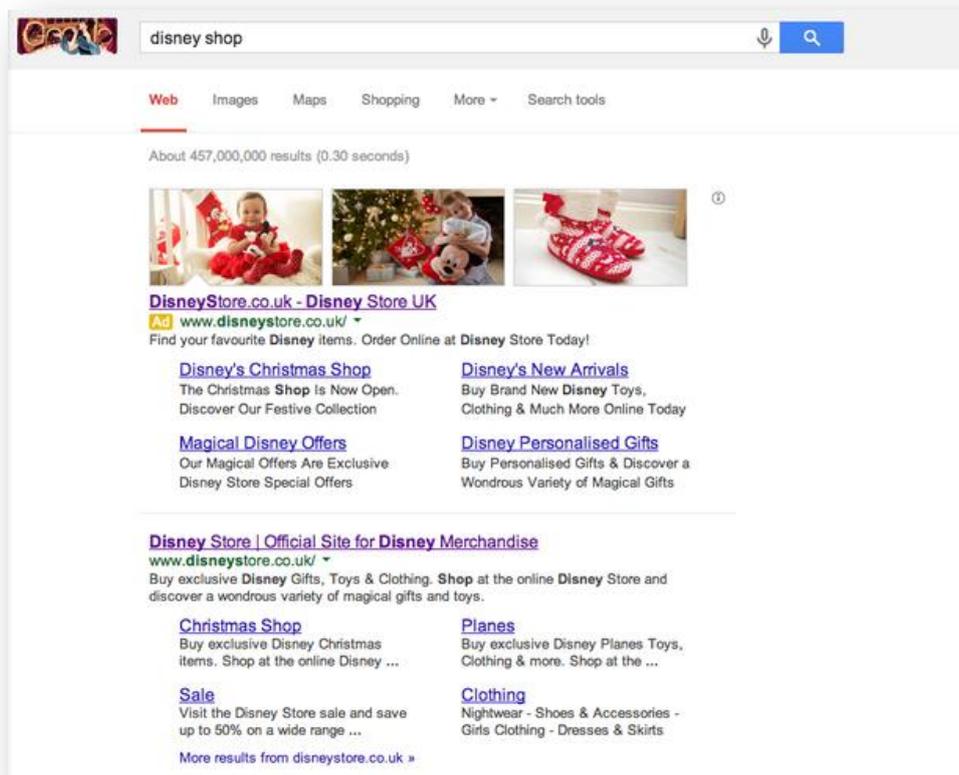
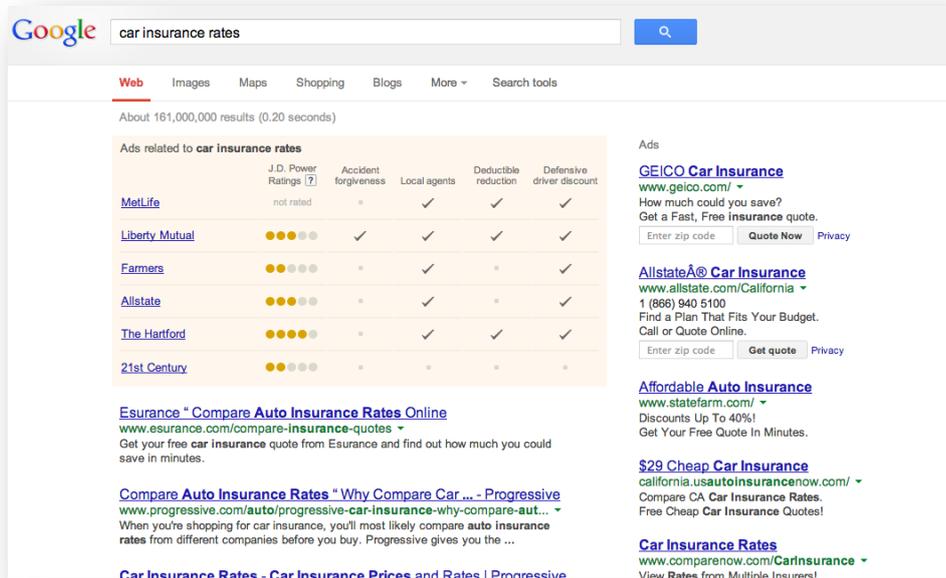
<http://econsultancy.com/reports/baidu-search-best-practice-guide>



# 13. Search Marketing - PPC

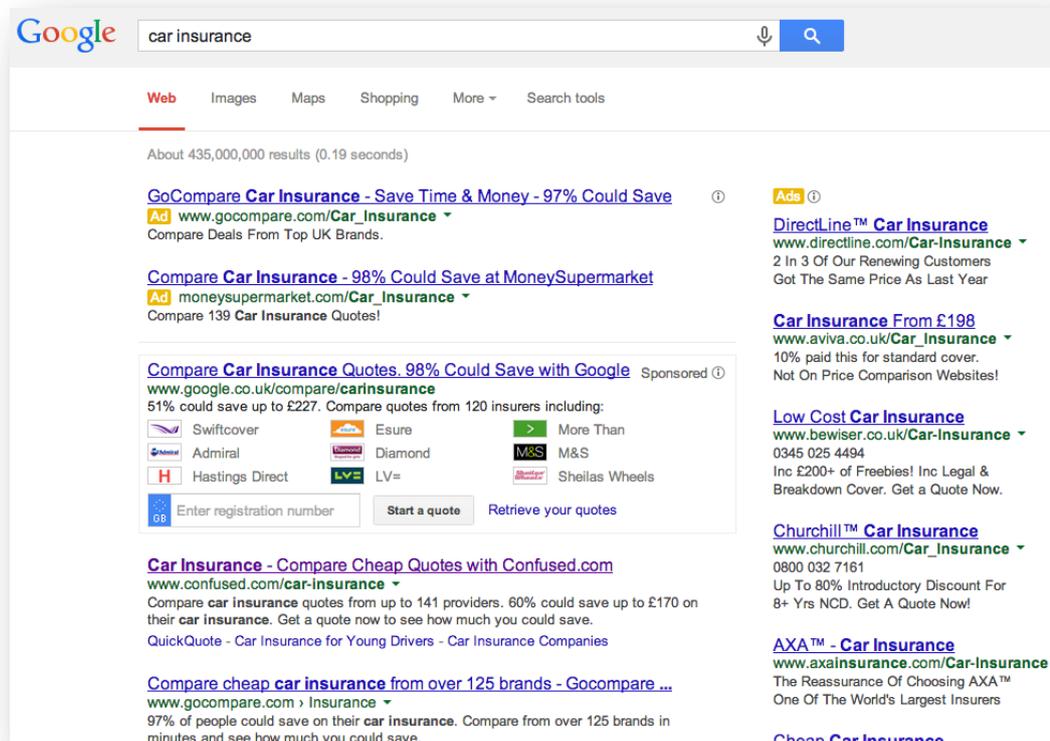
## 13.1. Interface Updates

[Changes in the user interface](#) are arguably making paid results more visually appealing than organic listings and taking up more real estate on the SERP.



For companies that have traditionally looked to use organic listings to drive their traffic, this will be a negative. This is especially relevant for mobile, where the reduced screen size means paid listings will take up more space above the fold. [Ads may appear less like ads](#) and continuous testing by Google will create interesting formats.

Google will likely prioritise the aesthetic qualities and effectiveness of its own listings above those who are advertising through AdWords.



Screenshot showing Google Compare listing, with option to enter registration number directly on the SERP

The chance for improved ad extensions will be both a boon and a curse to paid search marketers. While leaving them greater choices over how their ads may appear, this is likely to lead to an increase in the costs for particular keywords and require an [increasing level of granularity](#) to reach the optimum level of spending, particularly as [Google is now prioritising ads with extensions in the auction](#). By the same token, Google may take away functionality from paid search marketers if it suits them, as has been seen with the move to Enhanced Campaigns whereby marketers can no longer create ads that are specifically mobile or non-mobile.

## 13.2. Richer Data Variables

Just as [rich snippets](#) have been used for SEO, advertisers will have an increasing number of their own and external sources at their disposal to augment their ads through ad extensions. [Consumer reviews](#) along with Google+ integration are already available, but I believe other options will come into play. There is already a way to [bid by weather](#) although it is not as straightforward to implement as it could be.

In this way, real-time marketing will become more important in search. I expect both Google and third-party bid management technologies to offer interesting ways to pull in data and use this to change ad listings to maximise conversions.



## 13.3. Attribution

Mobile devices are becoming increasingly important in the customer journey. [Boxing Day 2013 saw tablets account for a third of conversions from PPC](#) and as Enhanced Campaigns means marketers can no longer segment into mobile and non-mobile campaigns, avoiding mobile clicks because they do not convert is no longer an option.

As a result, attribution of paid search spend will become increasingly important as traditional methods of measurement will not clearly illustrate a return on investment. [Google's Universal Analytics](#) is a step in the right direction, but this increased complexity is just another example of where those with the right skills in data will become even more valued.

Attribution will lead to more complex and effective bidding strategies that incorporate a whole variety of factors. [Scheduling](#) will be used more, and third-party technologies will continue to improve in their sophistication and capabilities.

### Further Econsultancy reading

#### UK Search Engine Marketing Benchmark Report

<http://econsultancy.com/reports/uk-search-engine-marketing-benchmark-report>

#### SEMPO State of Search Marketing Report 2012 (2014 version coming soon)

<http://econsultancy.com/reports/sem-po-state-of-search>

#### Paid Search Marketing (PPC) - Best Practice Guide

<http://econsultancy.com/reports/paid-search-marketing-ppc-best-practice-guide>



# 14. Social

## 14.1. Social Media, Social Marketing and Social Service

In the same way that 'digital' is suffusing and diffusing back into the organisation and its business functions, we will see 'social media' increasingly become part of everyone's job. In particular any 'front office', or customer-facing, roles will be expected to understand and manage social themselves so 2014 will see continued training and investment to enable and encourage this. I expect 'social media' to break down at first into:

- **Social Marketing** – this covers the PR, influencer, community, content, communications, data and analytics parts of 'social media' currently. This 'day to day' social media will still require a dedicated team.
- **Social Service** – covers all of the social media elements that relate to customer service. In 2014 I expect to see this increasingly handled by the customer service function who have been trained in social, or hired the relevant capabilities.
- **Social Media** – will be 'media' in the advertising/agency sense. As the major social platforms continue to push towards monetising their audiences and evolving their native advertising and lead generation offerings there will be an increasing need for specialists who know how to plan, buy, create content/creative for, measure and optimise this media. I expect in 2014 we will see agencies bolstering their offering in this area.

Social Marketing and Social Service I believe will increasingly be brought in-house whereas Social Media, as defined above, at least for 2014, will increasingly be outsourced to agencies.

## 14.2. Social / TV

It seems that Facebook is squaring up to compete directly with TV for ad dollars ("[we have more primetime eyeballs than all major TV networks combined](#)"). Twitter on the other hand wants to position itself as "TV's friend" to enhance and complement the TV experience (whilst still, effectively, eliciting TV ad dollars from brands).

Second, third, fourth.... screening behaviour will only continue. Recent [Ofcom research says almost half of us 'media mesh'](#), blending TV viewing with other digital experiences daily. As a result TV content is increasingly being commissioned with explicit thought around how the TV content will be extended into social media in particular.

In 2014 we'll continue to see the social platforms evolve and innovate in how what they do complements traditional media, particularly TV. And we'll see brands continue to experiment with these new forms of advertising and engagement. Twitter has its Amplify offering which works with TV channels to push promoted tweets and co-branded video clips into users' feeds. [BBC America partnered with Twitter and Verizon to deliver the first ever ad-supported TV-synched video tweet.](#)

As a result of the above, 2014 will see continued efforts to try and measure, analyse and optimise the effectiveness of all this activity. Nielsen Twitter TV Ratings already exists, of course, but I expect Facebook in particular to develop the ways in which it can report on the social 'halo' and impact that TV experiences create.

## 14.3. Generalist vs Niche

There was evidence in 2013 that perhaps Facebook was suffering an exodus of usage from teenagers in particular. They were gravitating to the likes of Instagram, Snapchat, WhatsApp,



WeChat, Line etc. It seems more likely that people are actually experimenting with new services, whilst not giving up on the 'core' platforms like Facebook, and most of us will end up with multiple profiles/personas on multiple platforms and use them in different ways for different reasons.

In 2014 we will see continued growth of specialist interest services and niche networks. As a result organisations will need to manage an increasing diversity, and complexity, of social presences and interactions. They will need to decide which networks and offerings are most relevant to their brands and customers and focus on those.

## 14.4. Influencer Marketing

The early years of social seem to have focused on reach and counting numbers (e.g. followers, likes) that aimed to be big. The same was true in web analytics ('hits'), email (list size), online advertising etc. But as has happened elsewhere we'll see more focus on quality and value over just quantity and volume.

With the growth of niche networks (see previous point), including professional networks (LinkedIn being the big generalist player here), we will see more focus in 2014 on identifying and engaging with influencers. Software and tools to try and find influencers and calibrate their influence have proliferated but I expect in 2014 we'll see more organisations using existing data and intelligence they have (e.g. in their CRM systems) to proactively reach out to, and engage with, those they already believe to be key influencers but perhaps haven't been able to identify online or have not had the appropriate network or platform available to do so to date.

As a result of the above, whilst there will still be metrics and analysis of 'buzz' around social, we will see [more sophisticated social network analysis](#) to identify influencers, more [tailored monitoring of individual conversations](#) and more of a focus on lead generation.

## 14.5. Social Data & Social CRM

For all of the talk of 'social CRM' it is surprisingly hard to find many case studies of this in action. Organisations are looking at social data and starting to analyse and segment it along social variables and attributes; they are starting to import this data into CRM and business intelligence systems. However, this data, and new segments, are not being used that actively in marketing activities to date. In 2014 we will see more experimentation and more case studies but it will be a few years yet before we have any reliable sense of 'best practice'.

### Further Econsultancy reading

#### **Customer Relationship Management in the Social Age: A Best Practice Guide**

<http://econsultancy.com/reports/customer-relationship-management-in-the-social-age-a-best-practice-guide>

#### **Digital Workshop: Using Social Media to Influence Influencers**

<http://econsultancy.com/reports/using-social-media-to-influence-influencers-digital-workshop>

