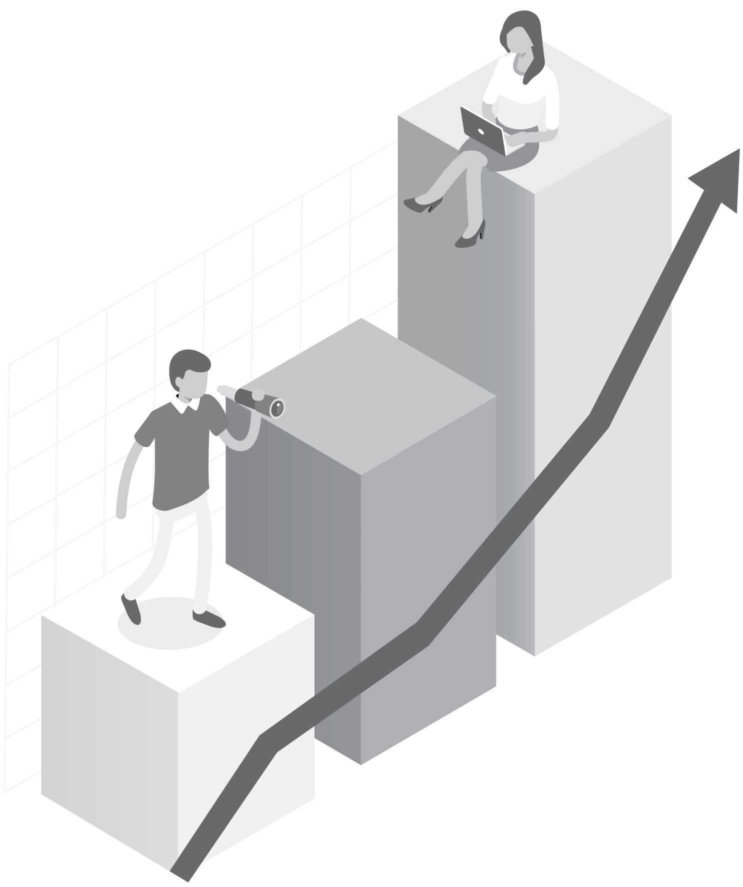
A Click Consult whitepaper

Search & Digital Marketing Trends

Marketing Trends Report (Q2 2019)



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INTRODUCTION

Political uncertainty plays a huge part in the coverage of marketing spend throughout Q2 of 2019 – with tariff wars, no-deal Brexit chaos causing a weak pound and plenty more besides impacting general market confidence. This, in turn, is having a knock on effect on many – though not all – marketing budgets, taking the shine of what was a reasonably buoyant Q1.

However, while there has been less to be optimistic about overall, the search and digital sector has seen growth – with advertising spend in general and video spend increasing in Q2. There have been lower than expected increases, slowed growth and reduced expectations, but for a period of such economic uncertainty, the continued growth of search and digital, both in the UK and globally, is testament to its ability to deliver ROI.

While we're unlikely, in the UK, to have the full picture of the issues caused by various political and trade issues until quite some time in to the 2020s, the slow-down in growth represents relatively impressive progress for the industry as a whole. While the net percentage of marketers reporting increased investment is as low as 0%, according to some sources, the low but steady growth of ad spend and digital investment is encouraging.

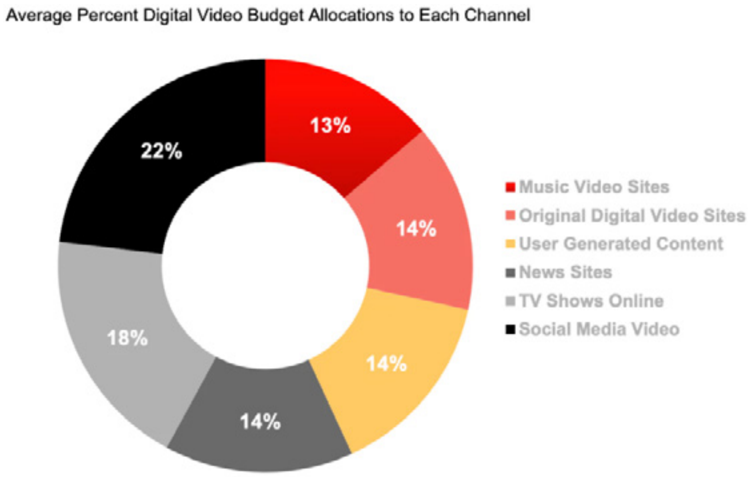
MARKETING AND AD SPEND

VIDEO TO ACCOUNT FOR, ON AVERAGE, $18M OF BRAND SPENDING

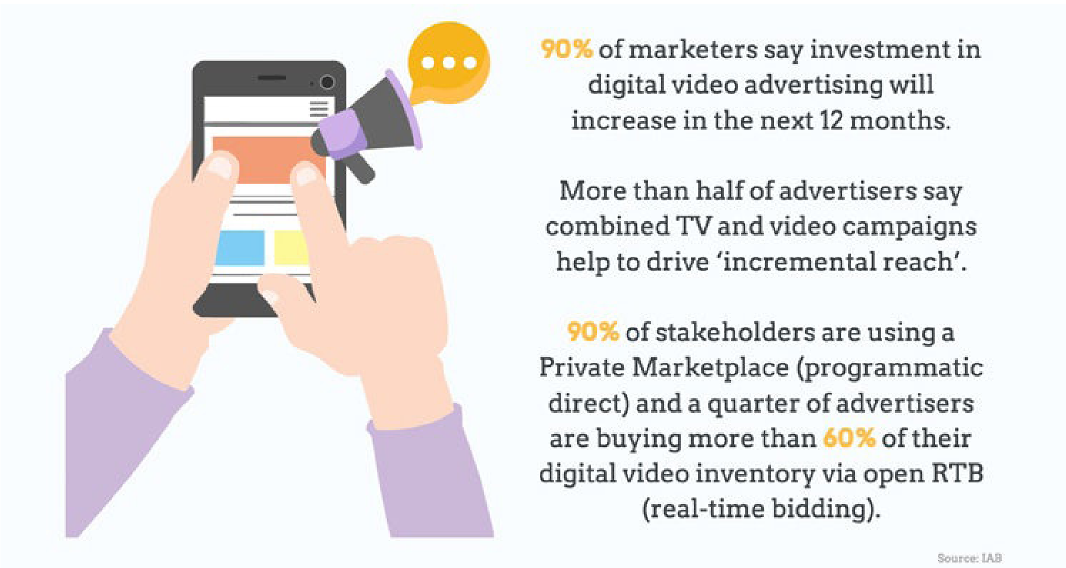
IAB – 29th April, 2019

A press release from the IAB at the end of April 2019 indicated that spend on digital video was set to increase more than 25% throughout the rest of 2019, with the average spend to rise from $14.2M in 2018 to $18M in 2019.

This was supplemented by coverage in eConsultancy which was able to break sown this spend a little further:



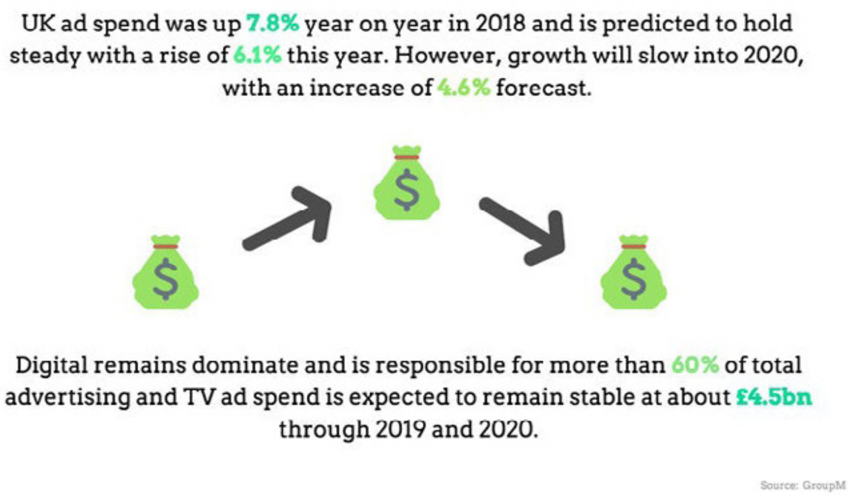
> *Video ad spend has grown across all verticals since 2018, with media & entertainment brands leading the way with a 75% increase year-on-year. This is followed by fashion and apparel brands, which increased spend by 45%.*
>
> *Nearly two-thirds of digital budgets will be allocated to video this year, evenly split between desktop and video formats. More than a fifth (22%) of this digital video spend will go to social media, with 18% going to online TV shows.*



ABOVE INFLATION INVESTMENT CONTINUES, BUT SLOWDOWN EXPECTED

Group M (via Marketing Week) – 3rd June, 2019
UK ad spend increased by 7.8% in 2018 and looks likely to rise by 6.1% if things remain as they are for the rest of 2019. While the slowdown should continue in 2020, the sector is still likely to grow at around 4.6% as advertising returns to normalised levels of growth.

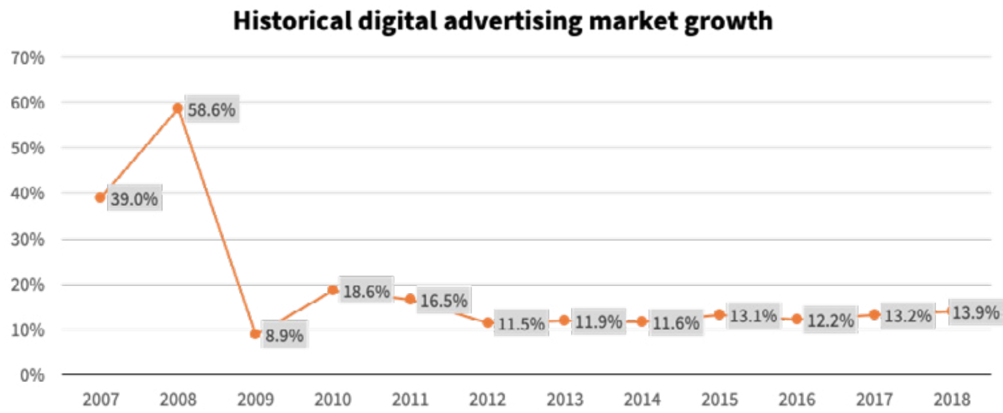
Digital remains a dominant force in this growth, with more than 60% of total advertising spent online, and while television has maintained its scale, after hitting a plateau of about £4.5 Bn, spending remained relatively unchanged in 2017/8 and is likely to remain static, continuing to account 20% of media investment.



IAB EUROPE CREDITS SEARCH, MOBILE AND VIDEO WITH 2018 GROWTH OF EUROPEAN DIGITAL ADVERTISING MARKET

IAB – 4 June, 2019
Digital advertising, in Europe, increased 13.9% in 2018, reaching €55.1 Bn, marking the sector's fastest period of growth since 2011 – growth which has seen the market more than double in fewer than ten years.

The IAB study also showed that, in 2018, 21 of the 28 markets saw double digit year-on-year growth.



The good news doesn't end there for digital marketers, however, as search remains the largest online advertising category in terms of revenue with a growth of 12.5% and a market value of €25 Bn.

In addition, total mobile ad spend grew 31.4% in 2018 (to €22.8 Bn), accounting for around 41% of total digital ad spend in Europe.

ONLINE ADVERTISING GROWTH TO DROP TO SINGLE DIGITS BY 2021

Campaign – 8th July, 2019
The growth of internet ad spend grew 17% in 2018, however, Zenith predicts just 12% over the course of 2019, dropping to 9% in 2021. However, it will still account for around 52% of global advertising expenditure, exceeding the 50% mark for the first time.

Ad revenue for print media, however, is expected to total just $70 Bn in 2019 – less than half of 2007's peak of $164 Bn, while TV ad revenues is also forecast to shrink between 2019 and 2021, falling from $184 Bn in 2018 to approximately $180 Bn in 2021.

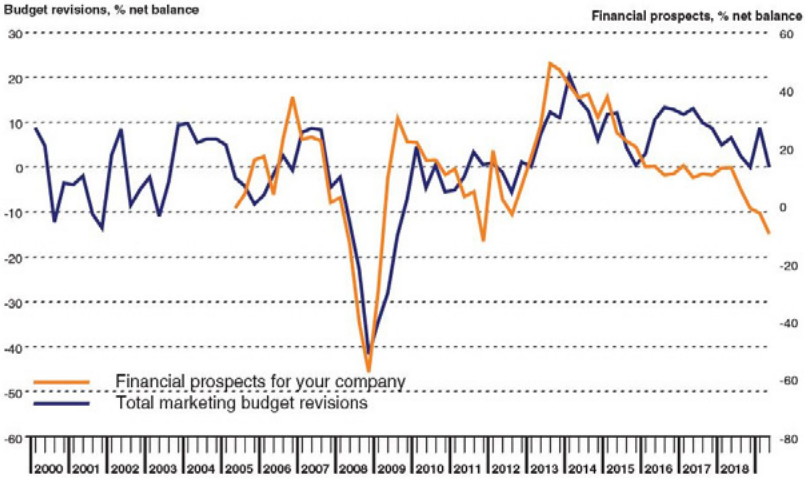
Other traditional medium are progressing more healthily, with radio ad revenue to grow 1%, out-of-home to grow 4% and cinema 12% YoY. Despite the healthy growth, however, cinema will still account for 0.8% of total ad spend.

MARKETING BUDGETS FLAT-LINE AMID POLITICAL AND ECONOMIC INSECURITY

Campaign – 17th July, 2019

To end this section, we'll cover one of the bleaker pieces of coverage – that of the Q2 Bellwether Report, which shows a net balance of 0% of marketers reporting growth (as referred to in the introduction). This report suggests that marketers saw budgets flat-line in Q2, following a reasonably positive Q1 report.

While Q1 saw 8.7% of marketers self-report that their marketing budgets had increased (as covered in our Q1 coverage), however, the latest figures show a 0% balance of marketers recording growth – meaning that increases were exactly negated by cuts with the rest unchanged.



Source: Bellwether Report

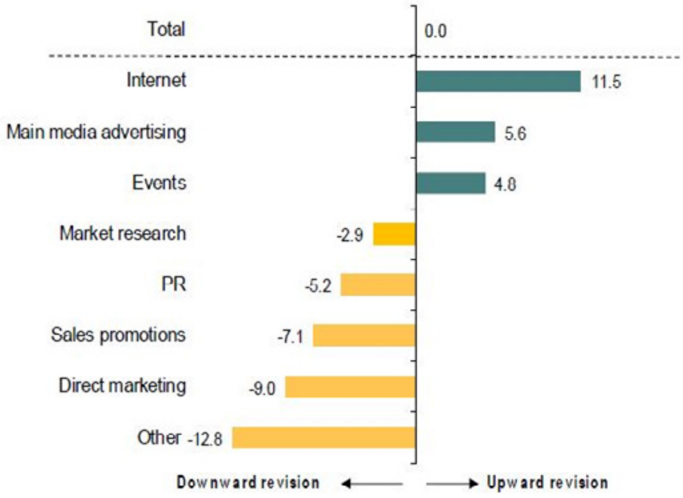
Political and economic insecurity is fuelling hesitancy and delayed decision-making among clients, the report suggests, while panellists expressed the worry that a general 'sense of malaise' is equally affecting consumer confidence and consumption.

Businesses also raised concerns on overseas influences such as trade disputes and weak growth in markets such as continental Europe and Asia. We touched on this both in the previous review and, obviously, in the introduction – with so many competing narratives for the title of 'worst story' for business, it's no wonder that investment is difficult to come by for marketers.

There are some positive signs, however, and a net balance of 11.5% of marketers reported internet-based ad budget increases for the second quarter, compared with 17.2% in the previous three months. And within that, search and SEO budgets showed a net balance of 9.9%, compared with 14.2% in the first quarter.

Main media ad budgets also received a boost, thanks to some companies investing in big-hitting brand-building campaigns. A net balance of 5.6% of companies therefore, reported an increase of up to 0.1% on the previous quarter.

34% of marketing executives reported pessimistic outlooks for the finances in their industries, with just 8% reportedly optimistic. The total net reporting of -25.6% is the second worst assessment since the Q4 of 2011, but trails a little way behind Q4 of 2008 (which totalled -28.6%).



Looking ahead, the Bellwether Report remains cautious, expecting a 1.1% annual increase in ad spend in 2019. However, the outlook is less bleak for 2020 and beyond, with growth of 1.8% in 2020, 2% in 2021, 2.2% in 2022 and 3.1% in 2023 presently forecast.

CHECK YOUR LIGHTHOUSE REPORT AND PAGESPEED INSIGHTS REPORT

Econsultancy – 1st July, 2019

The British Chambers of Commerce (BCC) estimates that there will be "minimal GDP growth" in the second quarter of 2019 (backed by ONS results that detail the 0.5% GDP for Q1), finding that the balance (positive minus negative) of manufacturing firms which reported improved domestic orders has fallen to a seven-year low.

Similarly, a quarterly survey by the CBI (Confederation of British Industry) found optimism regarding the overall business situation in financial services has fallen again. Rain Newton-Smith, CBI's chief economist, is quoted by Econsultancy as saying:

> *There are some temporary factors pushing down activity at the moment, such as companies adjusting their stocks following the Brexit extension, interruptions to car production and poor weather. But underlying activity and confidence is clearly subdued.*

MARKETING & AD SPEND ANALYSIS

While we pointed out in our Q1 analysis that reducing marketing spending runs against academic advice for brands that wish to retain or improve market share during times of economic uncertainty, it is also a well known business axiom that marketing budgets are the first to be hit in such periods. As such, the continuing investment in search and digital marketing – both organic and paid – is testament to the underlying faith that brands have in the ROI of their digital marketing budget.

The ongoing political situation in the UK – with little stability and less real sense of direction – is, of course, going to impact the UK economy as a whole. However, the weakened pound is likely to see search and digital marketing services in the UK becoming an increasingly attractive proposition for continental investment as the pound heads worryingly for parity with the euro. It may, therefore, offer agencies in the UK the opportunity to promote their experience on the continent to win additional international business as their position of experience in one of the largest digital economies in the world is rendered affordable to brands on the continent looking to maximise the return on their budgets.

With all this in mind, the position of the search and digital sector is an enviable one at this moment in the UK, with the economic uncertainty offering the potential to fuel growth for agencies able to leverage existing continental experience against the relative price cut their services have taken due to the global currency markets. Provided care is taken to avoid losing the best practitioners either overseas or to competition, UK agencies could continue to see growth throughout a tricky economic period likely to last for years rather than months, by capitalising on the advanced level of the industry in the UK. Combined with stable investment from UK brands looking to retain market share, the search and digital marketing sector has the potential to not only weather the storm, but fare rather better than most.

INVESTMENT & GROWTH

57% OF MARKETERS CITE INSTAGRAM STORIES AS AN EFFECTIVE PART OF STRATEGY

Econsultancy – 7th June, 2019
Buffer's 'State of Social 2019' report carries the claim that a growing number of brands using Instagram Stories are experiencing success with the platform. The survey of 1,800 marketers found that 57% believe 'Stories' have been either a "somewhat" or "very effective" part of their social media strategy.

However, despite a significant number of the brands represented by the survey not having invested in the format, Stories featuring ads have increased the appeal of their use – with 62% of respondents yet to invest, but 61% stating that they plan to in 2019.

The Buffer survey also notes that, despite the ongoing and increasing popularity of messaging apps, brands are still overlooking them. 71% percent of respondents stated that they do not use messaging apps for marketing, and 50% are not planning to in 2019 – representing a clear opportunity for brands to steal a stride on the competition.

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SOCIAL ADVERTISING GROWTH HALVES

Marketing Week, 4th July 2019
Advertising revenue growth for social media firms declined by almost half in Q1, states research by marketing research agency WARC; though revenue for the large social and messaging companies rose more than 25% YoY (to more than £14 Bn), overall growth has slowed, with all six companies studied (Facebook, Pinterest, Snapchat, Twitter, Tencent and Weibo) posting a slowdown in ad revenue growth.

James McDonald, managing editor at WARC Data, is quoted in Marketing week as stating:

> *The social sector is still expanding at a rapid pace – amassing $17.9 Bn of ad money in the first three months of this year alone – but growth has eased over recent quarters and has halved from a year ago. Further, user growth has stalled in North America and consumer trust in social platforms is waning.*

With growing unrest and increased pressure around calls to improve the platforms, from politicians, brands, users and the marketing industry, to tackle complaints around harmful material, fake news and misuse of data; this negativity seems to have impacted user numbers – with European user growth across Facebook, WhatsApp and Instagram slowing to their lowest levels on record (1.4%), while Snap's EU user base in the region fell for the first time.

60% OF DIGITAL MARKETING PROFESSIONALS PLAN TO INCREASE THEIR AMAZON DIGITAL AD SPEND IN THE NEXT YEAR

Econsultancy – 29th June, 2019

The 'State of Digital Advertising' report from Marin, as reported by Econsultancy, detailed the results of a survey of 460 digital marketers on how advertisers are allocating their budgets in 2019. The study, which found that paid search remained the dominant digital ad channel, commanding 39% of total budget, also fund that paid social claimed 18% of budgets, and display accounted for 16%.

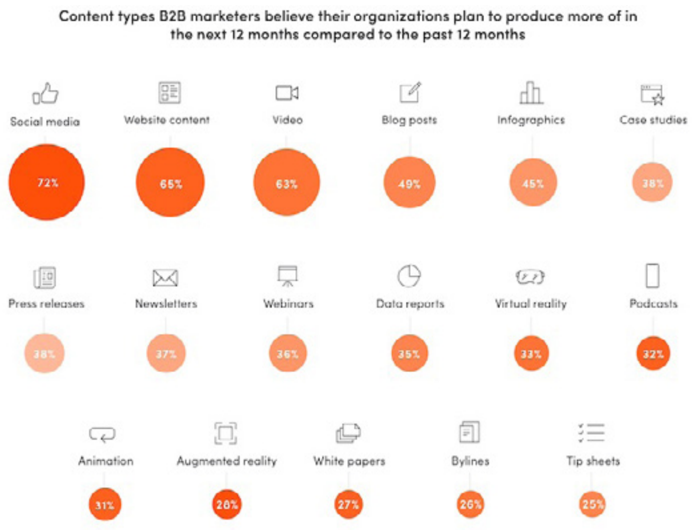
In addition to this, the report also states that brands are spending almost as much of their paid social budget on Instagram (21%) as they are on Facebook (27), while 67% of respondents indicated that the increased Instagram spend came from incremental budget rather than direct transfer from Facebook spend.

A major finding of the report, however, is that advertisers are seeing increased potential in Amazon advertising, and that 60% of the survey's respondents are set to increase their Amazon spend over the next year. 55% stated they began using Amazon because they see it as a significant opportunity for growth, while approximately 25% are looking to increase purchases at the lower end of the funnel.

MOST B2B MARKETERS EXPECT TO RAMP UP THEIR PRODUCTION OF SOCIAL MEDIA, WEBSITE, AND VIDEO CONTENT IN THE NEXT 12 MONTHS

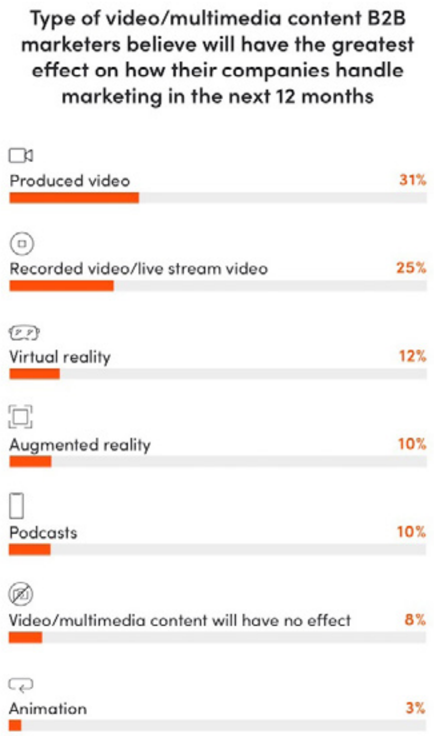
Marketing Profs – 15th April, 2019

Research from Walker Sands, who conducted a survey of 300 B2B marketers found that nearly two-thirds (72%) of those surveyed say they plan to produce more social media content over the next 12 months (compared with previous period), 65% plan to produce more onsite content, and 63% are intending to produce more video.



Source: Walker Sands The Future of B2B Content 2019

Video content (which 31% state has a significant impact on their marketing efforts) is broken up as follows:



Source: Walker Sands The Future of B2B Content 2019

21% OF PEOPLE ARE USING VOICE SEARCH EVERY WEEK

Search Engine Journal – 21st May, 2019
While not directly connected to investment, the Uberall survey of 1,000 consumers found some stats which should definitely play a part in budgeting decisions for brands over the coming months. The study found that regular voice search users (which equated to approximately 47%) are using the search method while on the move and specifically to locate local business information.

This section of the respondents used the technique:

- At home (37%)
- In the car (34%)
- While walking to a destination (11%)

This suggests that brick and mortar brands, or those at least present as stores or locations in one form or another, could well benefit from implementing SEO techniques which would make them more present locally in voice searches.

INVESTMENT & GROWTH ANALYSIS

There are clear signals throughout Q2 that confidence in search and digital remains high, with brands maintaining or slightly increasing their budgets at a time when many similar previous periods of economic and political uncertainty have seen such budgets cut or stagnant. However, the indications are that investment is stronger, for the most part, in areas with demonstrable ROI – such as paid media (both social and search) where reporting is granular and attribution relatively simple.

However, when research is limited to specifically eCommerce sites (as one of the studies covers in the next section), the top acquisition channels include SEO as second only to social media. The lesson that more traditional brands could take from such findings is that online competition is likely to be focused on improving their performance in search while perhaps less digital savvy marketers concentrate on the bottom line – using paid media to ensure that conversions (and the easier proof of ROI) are the primary concern.

However, in addition to this, there is also increased investment in Amazon as a platform and – unsurprisingly for anyone who has observed marketing trends the last few years – video as a medium. Again, with the majority of respondents to various surveys indicating a common level of groupthink, there is a need to differentiate even when investing in what may seem like a 'sure thing'. To this end, investment in multimedia such as AR and VR – especially as structured data surrounding AR is being worked on over at the schema project and as Google are looking to incorporate AR results in search – may be the option that could differentiate brands from a field committed to distributing increasing amounts of video content.

The risk of not standing out has, after all, already been explored during the content boom that occurred around five to ten years ago where brands saturated the market with generally poor quality written content leading to reports from BuzzSumo and others which consistently find that the majority of content goes unshared, unlinked to and, almost certainly, unread.

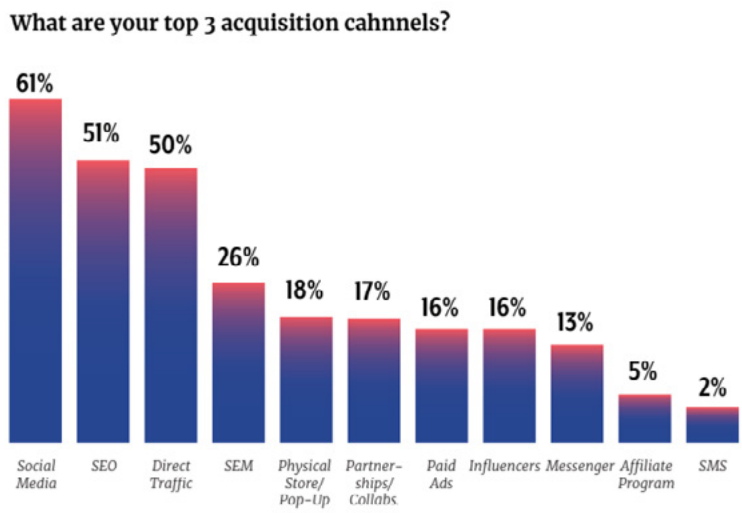
Content for content's sake has never been advisable, but as visual and audio content of reasonable quality becomes increasingly available to brands due to the reduced cost of equipment, there will again be an influx of undifferentiated, middle of the road multimedia content that could bury all but the most distinctive.

RESEARCH AND DEVELOPMENTS

51% OF D2C BRANDS SAY SEO IS A TOP ACQUISITION CHANNEL

Search Engine Journal, 14th May 2019

Further reinforcing the faith that brands are showing in search and digital marketing with steady (if diminishing) growth in digital budgets, a study of 512 eCommerce D2C brand, and marketing decision makers has found that 35% of respondents are prioritising web traffic for the remainder of 2019 with 61 and 51% of those surveyed identifying social media and SEO as top acquisition channels.



With brands desperately in need of predictable, long term performance, the push towards owned media for growth during a period of economic uncertainty is telling.

ADS ARE PERCEIVED 74% MORE FAVOURABLY IN HIGH QUALITY ENVIRONMENTS

Econsultancy - 22nd July, 2019

Research from Integral Ad Science (IAS) has found that an ad's 'environment' has dramatic impact on how people react to it. The study, which monitored 50 people during a 30-minute mobile experience, tracked and recorded participant brain activity.

The study confirmed what may be considered an intuitive idea that ads viewed as part of a high-quality mobile environment were perceived 74% more favourably than those same advertisements in low-quality environments.

However, in addition to more favourable perception, the study also found that high quality content can generate up to 20% higher engagement rates and subsequently a 30% greater 'memorability' among consumers.

83% OF SENIOR MARKETERS FEEL ‘DATA BLIND’

Econsultancy – 28th June, 2019
83% of senior marketers feel ‘data blind’ due to the volume of analytics they deal with during their day-to-day role states a new study by Domo. A survey of 681 marketers globally, found 83% of respondents struggled to adapt to the volume of data, while 80% of this group feel the industry focuses on too many performance metrics.

Almost 50% said the number of data channels and sources made it more difficult to plan for the long-term, while 26% said a focus on short-term analytics, rather than long-term results, is one of their biggest challenges.

The survey also uncovered a debate around data ownership – with 34% of senior marketers believing it should be their role to connect and manage data insights across the business. However, 30% believe it’s the CTO and the IT department that should shoulder the responsibility for data insights and 20% that it should be the CEO.

GEN Z AND MILLENNIALS MORE LIKELY TO SHOP IN-STORE THAN ONLINE THIS YEAR

PR Newswire – 25th June, 2019
A study by Oracle NetSuite, Wakefield Research, and The Retail Doctor has revealed that retailers are failing to properly tailor the in-store shopping experience. 44% of the 1200 consumers and 400 retail executives revealed that there has been no progress in this area.

Despite “digital native” stereotypes, however, 43% of Gen Z and Millennials said they are likely to do more in-store shopping than online this year, with Gen X , the same response was given by only 29% and by only 13% of baby boomers. In addition, 57% of Gen Z and Millennials felt positively about the present experience, while baby boomers found the current retail environment ‘less inviting’ than consumers overall.

In addition to this, despite 98% of retail executives believing that ‘engaging customers on social media is important for building stronger relationships’, a startlingly low 12% of consumers believe their engagement with brands on social media has significant impact on the way they think or feel about a brand.

CONSUMERS WANT LESS AI WHEN TALKING TO BRANDS

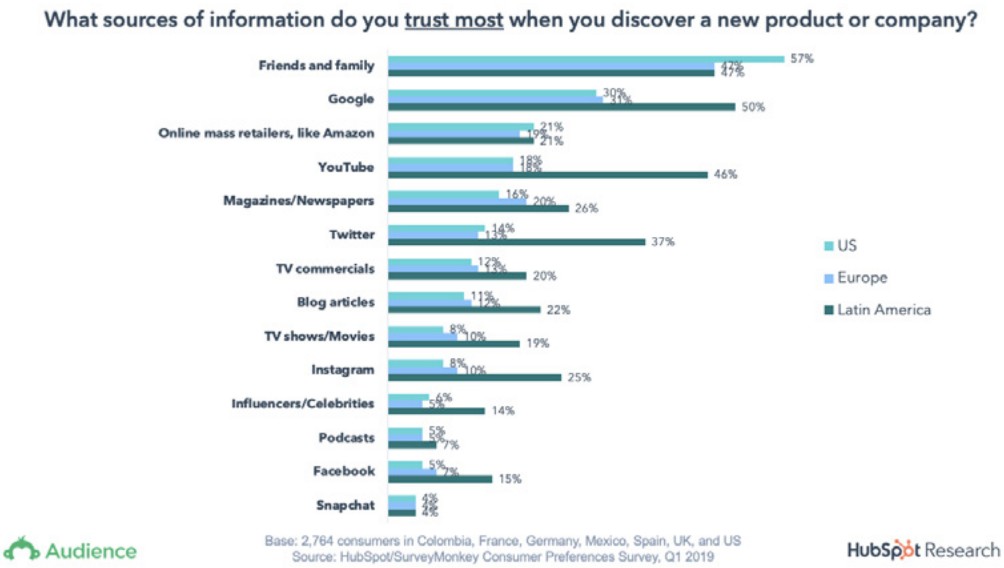
Econsultancy – 21st June, 2019
Invoca and The Harris Poll have released a report following a survey of consumer sentiment towards AI and automation, which inspected whether consumers felt as though brands are overusing technology.

A survey of 2,000 US adults found that 87% of respondents had reached out to a company and had no other option but to communicate via an automated mechanism, such as a chatbot. Of this 87%, 52% said that they felt frustrated by the experience, while 18% felt angry at not being able to speak to a human.

The study also found that consumers are wary of trusting information or advice from AI-based interactions, especially when this is related to complicated information.

HUBSPOT BUYER BEHAVIOUR STUDY FINDS CONSUMERS TRUST WORD OF MOUTH MOST

HubSpot – 12th July, 2019
HubSpot released findings from an early 2019 survey of 2,700 consumers worldwide which found that in excess of 50% of consumers tell friends and family about favourite products at least once a week.



In addition to this willingness to share, the survey also found that such shared recommendations – word of mouth from friends and family – are the most trusted and valued by consumers in general, with Google a distant second (though a fair way ahead of the rest).

CONSUMER CONFIDENCE ‘STUCK IN THE MUD’

Marketing Week – 30th April 2019
GfK’s Consumer Confidence Index reported a return to negative scores in April, with Client Strategy Director, Joe Staton, quoted in Marketing Week as saying:

> *We’ve recorded three months in a row at – 13 for the Overall Index Score and we seldom see that ‘stuck-in-the-mud’ pattern. The key point is that consumer confidence is trapped in negative territory and we have not seen a positive Overall Index Score since January 2016. It’s all down to the uncertainty over Brexit. We may have enjoyed a surprisingly warm Easter weekend recently but consumer sentiment is as cold as ice and there’s no sign of a thaw anytime soon.*

As mentioned in the first section (and the Q1 report), the uncertainties around Brexit and a number of other socio-economic and political situations are having a notable impact on consumer spending and consumer confidence. This places a lot of pressure on marketers not only to continue driving sales, but also to rebuild the confidence lost to unconnected world events – the only way to ensure that this is possible, however, is the growth of marketing budgets, which can be a tough sell during times of economic uncertainty.

WELCOME TO THE END OF DIGITAL MARKETING

Think With Google – May, 2019
In a conversation at Google Marketing Live with Calvin Klein’s CMO and PVHs Chief Digital Officer, Googler Bethany Poole discussed how silos in marketing are actively harming the performance of brands and how digital marketing and marketing have become so intrinsically intertwined and require so many of the same skills that in order to succeed, brands need to treat marketing as a holistic practice across multiple channels.

While this is something Click Consult has been talking about for a number of years, now, it’s interesting to see such big players in marketing – and, indeed, Google itself, seeming to endorse the view, something which warranted inclusion in the roundup of the quarter’s developments.

RESEARCH AND DEVELOPMENTS ANALYSIS

There is a common theme in the consumer and industry research for the second quarter of 2019 – and that is the foundering trust between consumers, advertising and brands. Such a trend cannot be unexpected in the 'post truth' world of fake news and media manipulation, but neither can it be underestimated.

The position marketers find themselves occupying in the current climate is, by necessity, that of a diplomat. Marketing is no longer just about convincing the consumer of the excellence of a product or service – it now increasingly needs to position products within an increasingly fragmented socio-political environment, something expertly demonstrated by the sales performance of Gillette in the wake of its #metoo inspired ad campaigns.

While it is, perhaps, cynical – we would not differentiate this period in marketing too much from any other; the increase in mission led marketing we have seen in campaigns from big brands, while perhaps led by people with the best intentions, is as driven by demographic targeting and by the bottom line as it ever has been (as exemplified by the much lauded McDonalds switch from plastic to paper straws – paper straws which have since been revealed to be non-recyclable), such campaigns have simply sought to align themselves with other parts of the lives of their demographic. Nike's social justice campaigns are no less aspirational than their ads featuring athletes excelling in beautiful landscapes, they just tap in to the psyche of their audience in a different way.

It is doubtless a social good that brands have taken steps to align themselves with various aspects of social, political and climate activism – but there remains a gap for brands that can genuinely practice what they preach (Nike, for example, would not have the same advertising power if its products were not assembled by people that operate at a level fractionally above slave labour).

Brands are risking further breakdowns in trust by appearing insincere in their efforts and the collapsing levels of consumer trust can represent an opportunity for brands committed to a mission rather than capitalising on one – a possible pivot which is far easier to accomplish for SMEs than 20th Century behemoths, though well summed up in 2018 by Tesco's Chief Customer Officer Alessandra Bellini:

> *I think if you do a good job, are humble about it and walk the walk rather than talk the talk – we always say at Tesco you don't talk yourself out of a problem, you behave yourself out – [trust will return]. So the attitude will always be about behaving differently and demonstrating that we care.*

What will regain trust is actions by brands – active participation in restructuring digital advertising, in committing to digital privacy, tackling economic unfairness and, as Bellini succinctly puts it behaving our way out of a problem. While it cannot solely fall on marketers to accomplish this – it is certainly something that marketers can drive.

Economist Professor David Deming, for example has been extolling the virtue of sensitivity as the next frontier in labour (see his 2017 paper "The Growing Importance of Social Skills in the Labor Market"). A generally immeasurable attribute, Deming believes that placing greater value on sensitivity could help brands succeed, and aligning brands with a mission that reflects their target demographic and marketing that to them may be the perfect opportunity for this brands to capitalise on a new method of thinking.

CONCLUSION

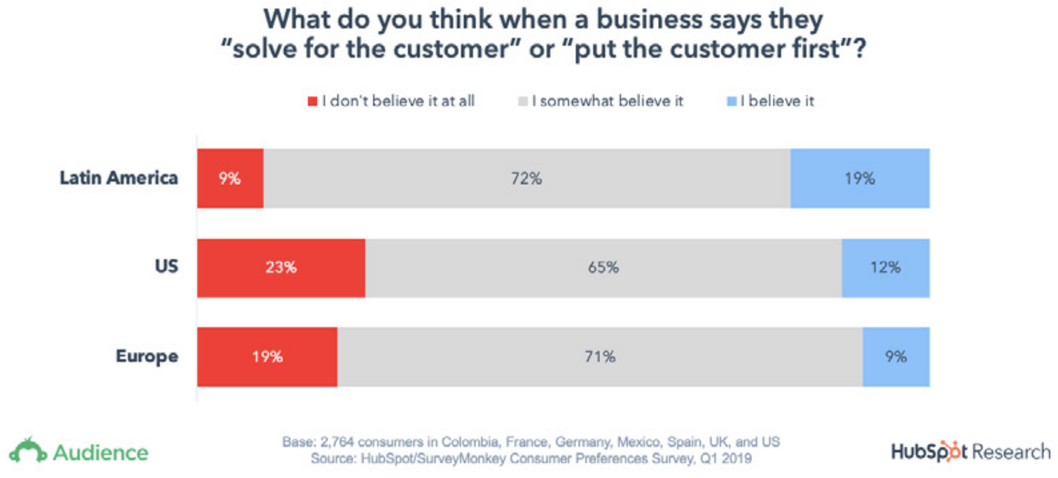
Analysis of Q2 in the search and digital (as well as the broader marketing) sector – much of which could not be included for the sake of brevity (as much as a 5000+ word piece could be considered brief) – the main points which seemed to occur repeatedly in various guises are as follows:

- Trust is at a nadir and needs to be re-earned
- Understanding and implementation of new technologies is poor
- Marketing needs to accept that it is marketing – whether on or offline
- Our tendency for groupthink necessitates focus on differentiation

TRUST

This is one of the issues that has been a constant area of contemplation for some time – and we've written extensively on various aspects of it (from purpose or mission led marketing, to adblockers and on and on) for a number of years. While the general aim of marketers has been to realign brands to fit within a new socially and politically aware era, trust has continued to decline almost in inverse proportion to the effort made.

As academics have begun to publish papers on the trend, it is becoming increasingly apparent that there is a sincerity gap between the ambition of brands and consumer belief in those same ambitions. Simply put – consumers do not believe that you put consumers first and, quite likely, feel the same about other claims.



For this reason, as mentioned previously, brands will need to behave themselves out of the trust deficit, and that will rely on placing increasing importance on soft skills – aptly summarised by an Adam Smith quote that features in the previously mentioned David Deming paper:

> *We can never survey our own sentiments and motives, we can never form any judgment concerning them; unless we remove ourselves, as it were, from our own natural station, and endeavour to view them as at a certain distance from us. But we can do this in no other way than by endeavouring to view them with the eyes of other people, or as other people are likely to view them.*
> **Adam Smith, The Theory of Moral Sentiments (1759)**

TECHNOLOGY

The piece from Econsultancy which featured details of a report that found 87% of consumers were unhappy with their AI interactions was one of many examples of miscommunication and misunderstanding that lead to that exact result. The interactions that were described by the study were not interactions with an AI at all – in fact, they were interactions with pre-programmed machine learning algorithms. The failure to communicate this to consumers – and the fact that their interactions will improve performance – and that the information conveyed was not suggested by the algorithm but by the human programmers, has led to a greater level of dissatisfaction than is necessary.

The likely reason for the lack of communication of these facts is quite likely because the brands implementing such ‘chatbots’ are doing so predominately as a cost-cutting measure, and therefore any effort at communicating the use of them also requires acknowledging the reasons for their implementation – something which most brands would fear could incur negative sentiment from consumers. So the cycle continues.

Just as search and digital marketing is continuing to battle its way clear from decades in the dark – as brands refused to acknowledge their use of SEO and SEM for fear consumers would consider it a kind of manipulation – leading to consistent misunderstandings, we are facing a stunting of technological progress as brands attempt the same secretive implementation of new technologies. Brands need to be clear about their use of machine learning so that their later use of actual AI (some way off though it may be) is not held back in turn.

While consumers may not like the fact that such jobs as customer service are being replaced by machine, they have accepted similar job losses in manufacturing and retail and most consumers are far more economically literate than they are given credit for – they are aware that automation is tied to expenditure and that the less brands spend, the less they charge. What is stopping the acceptance and consequent improvement of this technology is simple – it’s communication between humans, and robots are being blamed.

MARKETING IS MARKETING

As encapsulated in the interview series by Google, but also across the range of research, there is so much overlap between traditional and digital marketing and so much competition between the two for the same skill-sets that it is counterproductive for brands to continue operating silos.

Not only is it causing unnecessary competition within brands, it actively discourages cross-pollination of ideas and learning between two sides of what is essentially the same coin. Accepting that digital marketing is a channel rather than a separate variety of marketing could enable brands to learn and grow more by using the insights generated by both teams together rather than from one or the other.

VIDEO IS BIG, LET'S DO VIDEO TOO

Touched upon in the Q1 review, humans have an innate tendency for groupthink – we don't want to miss out, or catch on too late, so if a sufficient proportion of an industry makes a move, it is almost inevitable that the rest will, too. This is often the case in marketing – see the slow death by overexposure of the infographic, and the incredible levels of unloved and unnecessary written content – but we really need to start learning that the medium is not the message.

While video may well provide great, case study worthy even, results for some – for the rest the video doesn't speak a million words, it actively discourages engagement. The need for differentiation is growing and marketers need to start making the case for such differentiation. We are not hired for our ability to follow trends well, but to make them and just as Google has begun to reward differentiation in response to the crisis of trust, the consumer will reward the brand that is able to find the niche wherein it can best express itself and do it well.

ABOUT US

Click Consult is a multi award-winning digital and search marketing agency with a focus on organic (SEO) and paid search (PPC). Part of global consumer brand business Ceuta Group, we have a team of 70-plus specialists and a portfolio of more than 60 clients worldwide.

Our complementary services include content marketing, outreach, social media, conversion rate optimisation (CRO) and international/multilingual search marketing. We can also offer training and consultation to support your teams or existing strategy.

Click was named SEO Agency of the Year 2019, adding to our long list of other awards and accolades, and also ranks within Econsultancy's 'Top 100 Digital Agencies', and Prolific North's 'Top 50 Digital Agencies'. We're also a Google Premier Partner, a Bing Select Partner and feature in The Drum Recommends.

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UK Digital Growth Awards 2019 WINNER — SEO Agency of the Year 2019

Northern Digital Awards Winner 2018 — Search Agency of the Year 2018

Performance Marketing Awards — Most Effective Agency 2018

Digital Entrepreneur Awards — Digital Agency of the Year 2018

OUR TECHNOLOGIES

monitor TRAX™ rank TRAX™ feed TRAX™ link TRAX™ pro TRAX™ page TRAX™