

4 digital marketing trends to watch in 2023

In recent years, digital marketing has been considered as one of the key growth drivers for companies of all sizes. As marketing teams are heading into 2023, here are four trends to consider when conceptualising digital advertising campaigns and choosing online promotional channels.

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1. Growing focus on first-party data in marketing campaigns

A large number of performance marketing campaigns depend on third-party data. Third-party data is information that companies purchase from other parties who initially didn't acquire the data - instead, they purchase it from sizeable data aggregators who collect it from other numerous websites and platforms. In obtaining this type of data, companies are able to more efficiently allocate their marketing budgets, and can create and run their advertising campaigns with more precision.

For example, by using consent-driven cookies, companies can learn specifics about their audience - useful insights into their demographics, product interests and preferences, and other browsing information. After that, they can launch targeting and re-targeting advertising campaigns to reach out to their consumers in digital channels.

With the recent privacy laws for collecting cookies such as the General Data Protection Regulation (GDPR) and the California Consumer Privacy

Act (CCPA), marketers must re-think promotional activities in digital channels that have a dependency on third-party cookies. The imminent disappearance of third-party cookies by 2024 is a driving force for marketers to move to first-party data, which usually comes directly from the consumers' interactions with the company. Technology companies have also pressured the movement to first-party data: Apple blocks third-party cookies on Safari by default, and *Google announced* that it would eliminate them from Chrome.

2. Higher adoption of phygital marketing campaigns

The significant growth of online shopping as a result of the COVID-19 pandemic has led to a substantial change in consumer behaviour. Although people got accustomed to exploring product and service offerings online, they have been returning to physical stores. On average, online spending rose from 10.3% in 2019 to 14.9% at the peak of the pandemic, but then fell down to 12.2% in 2021, according to the *data* from the International Monetary Fund. Perhaps after shopping online during the 2020-2021 pandemic restrictions and social distancing measures, people are relieved to have the opportunity to visit brick-and-mortar stores again, where they can touch the things they like or try them on immediately.

Many companies recognise this trend and have started to opt for “phygital” marketing campaigns to connect with consumers combining elements of both online and offline channels. For instance, QR codes can be used to deliver such experiences. One scenario is where a retail brand's online webpage or social media post features a QR code that provides exclusive access to the start of the sales season in the brand's offline boutiques.

Another example of the “phygital” retail experience is Amazon Go store in

the United States. Scanning a QR code on their phones, people can enter the store, select their products, and leave the store without the usual in-person checkout procedure at a register. Customers are charged for their purchase via their linked credit card or bank account in the Amazon Go app.

3. Emergence of new advertising formats in digital channels

Due to changes in the way products and services are promoted online with the rise of new social networks, companies are more frequently experimenting with creative marketing campaign concepts. As a result, there is a surge in new formats for advertising campaigns that resonate with consumers.

In-banner videos are a good example of the accelerating popularity of such new advertising formats noted in 2022 by many marketers. According to *Bannerflow*, display ads with an embedded video have a 68% higher click-through rate. This means that customers interact more with display ads with a video as a part of their campaign creatives. In examining Google Ads trends in 2022, the trend of video ads is steadily growing.

Observing how TikTok continues to gain new users with rapid speed, startups and well-established companies have become increasingly interested in using this social network for promoting their products and services. The app offers several advertising options to choose from. Brand Takeover Ads, for instance, appear when opening TikTok and can help to drive direct sales with building mass brand awareness. These ads are exclusive to their category, which means that TikTok users don't see more than one Brand Takeover daily.

4. Faster convergence of creativity and analytics in marketing automation

More than even a decade ago, companies can engage with their audience through marketing automation and analytics software with the power of technology. According to *Salesforce Research* in 2021, 81% of marketing organisations use marketing automation. *Data by Ascend2 and Research Partner* shows that compared to only 39% in 2021, 44% of marketers were planning to employ marketing automation for their social media management in 2022.

The current fast-paced marketing world suggests a trend towards a swift delivery - of not only creative components of marketing endeavours such as impressive design visuals, but also analytical work streams. This new tendency contributes to quality leads generation, ad spend optimization, sales growth, and many other number-driven objectives that establish a strong data foundation and that can be built upon as companies scale up.

Consequently, there is an emergence of numerous marketing automation software solutions that address such challenges. One example would be cloud-based social media management solutions that collaboratively carry out campaigns across a variety of social networks. By using one dashboard, a marketing specialist can manage organic and paid social content together, keep track of chats with customers, and get insights from social media in real-time.

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