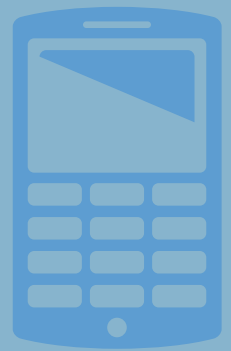
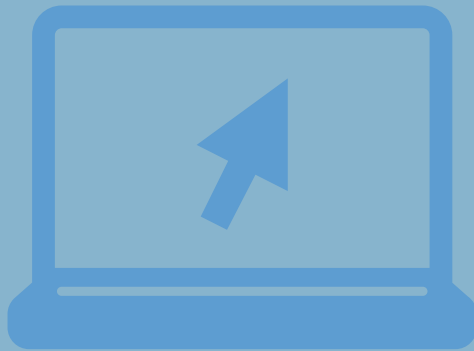

DIGITAL TRENDS 2013



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Experian Marketing Services

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Ben Hammersley

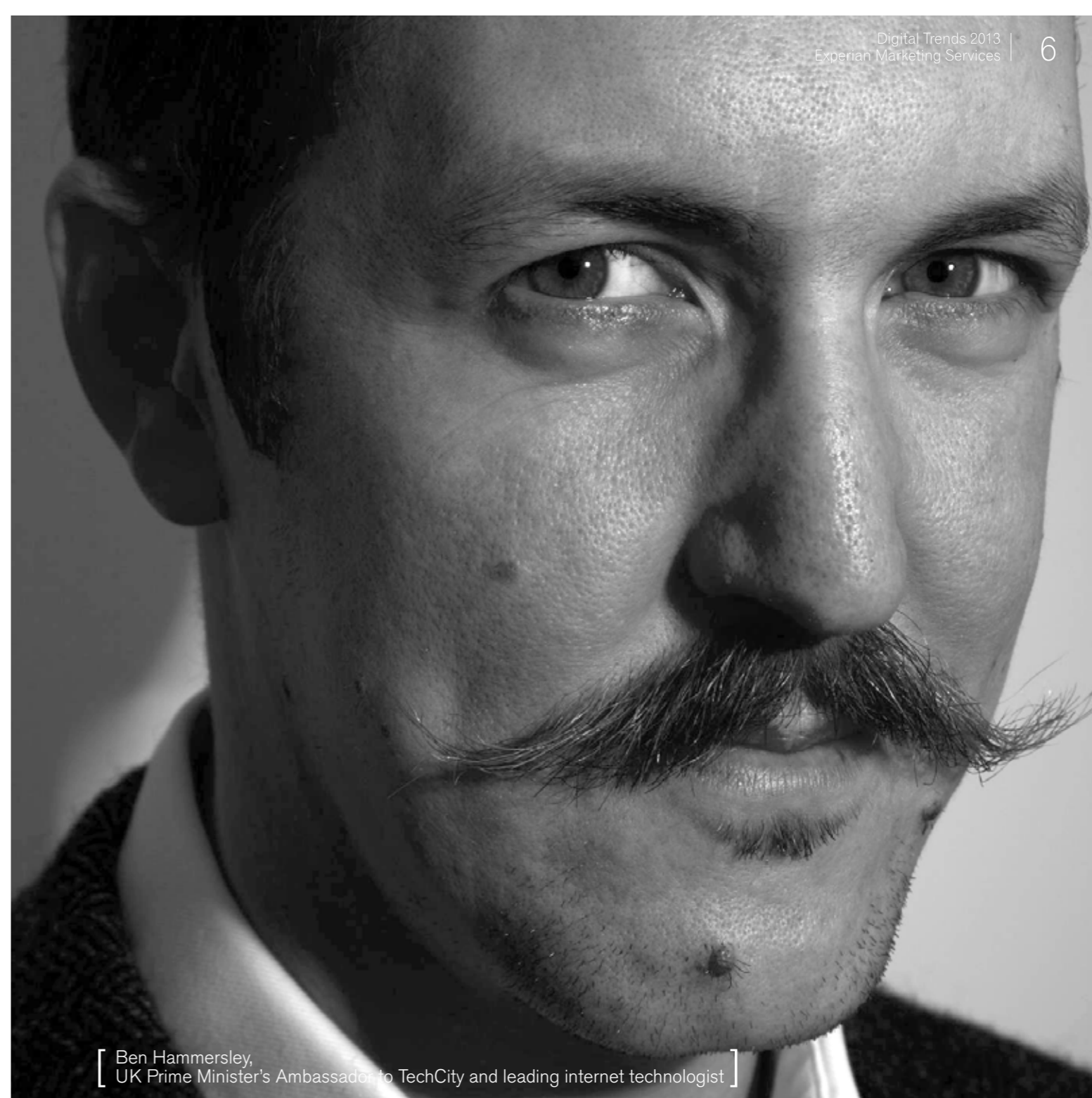
[UK Prime Minister's Ambassador to TechCity and leading internet technologist]

We find ourselves in the middle of a revolution. The potential that digital technologies give us – commercial, social and intellectual – is unprecedented in human history. Over the next few years, we will see a complete transformation of the way we live our lives, driven by the internet, the smart phone and new connected devices. The past decade or so has, for the majority of the UK, seen the birth of a new era. Indeed, it is only ten years since mainstream broadband adoption began, and not five since smart phones became a thing. Yet, what changes we have seen. As this report details, for the first time, British society can now be segmented into groups based on their usage of these new advanced technologies. Not only the gadgets that people might buy and own, but the true sophistication, as you will read, of how they use them.

But this new sophistication is still very fragile. Despite the internet, and mobile phones especially, feeling so much a part of our lives that their rejection would today seem perverse, we must remember that cyberspace is a big place. It is easy to wander off,

and especially easy to run away. For every new opportunity for marketing, every new technologically enabled channel to the consumer, the people behind brands must remember that their customers are people too. Because something can hold a message does not mean that it should. As the authors themselves say, "As more and more brands also start to take advantage of features that enable these connected customers to frictionlessly share content within their applications or websites – they will need to balance the finite space available within social network users' newsfeeds and it will become vital to use data driven approaches to understand the effectiveness of this sharing or risk overloading and shutting users out."

Mistakes will be made in this manner, but it is reports like this one that the truly expert marketer should sit up and take notice of. Not as an instruction manual, but as a map to the landscape of the future, complete with dangers, yes, but also with considerable treasure to find.



[Ben Hammersley,
UK Prime Minister's Ambassador to TechCity and leading internet technologist]



Jon Buss

[Managing Director, Digital, Experian Marketing Services]

2012 was undoubtedly a busy year. A string of national and sporting events captured the hearts and minds of the British public and indeed the world - from the Diamond Jubilee to the London 2012 Olympic and Paralympic Games. Consumer technology continued to evolve at an ever accelerating pace; mobile, tablet and network launches changed the way that consumers connect with brands and each other, while the rise of social media and sharing in everyday life further cemented this channel as a major focus for all brands.

The following sections of this report will discuss in more detail the key channel developments and opportunities for marketers. But first I wanted to offer my thoughts on some of the big trends of 2012 and explore some cross-channel learnings for savvy marketers looking to improve their future communications strategies to deliver more engaging, efficient marketing campaigns that will capture the attention, and the spending power, of consumers tomorrow.



[Jon Buss,
Managing Director, Digital, Experian Marketing Services]

Monetising Data To Understand And Engage Customers

Everyday consumers are sharing nuggets of information about themselves with brands; an email address holds a wealth of information about transactions and interests, while social media reveals insight into a consumer's preferences and their propensity to share and recommend – but many marketers struggle to monetise this data to create more engaging and tailored experiences. (Colin Grieves explores this trend in more detail on page 47, while Danny Thomson presents the new types of digital consumers on 16).

For years, marketers have been talking about multichannel marketing; the importance of understanding your customers' preferences and demands, and engaging with them at the right time, with the right message, via the right channel – and of course data has always been at the heart of this understanding.

The lines between online and offline communications continued to blur in 2012 and cross-channel marketing became the norm for many brands; marketing evolved from a one-way flow of information to a two-way conversation (from the brand to the consumer and back again) thanks largely to digital channels.

Omnichannel marketing is the clear next step from this; creating a seamless consumer experience across all channels by using real-time data to truly understand who a customer is at any given time. Consumers that engage

with a brand across multiple channels expect their stopping point to be "bookmarked", which then allows them to return through a different channel to finish the browsing or purchase process.

This could mean allowing a customer to start making an online application for a savings account, but then drop into a branch or contact the call centre and continue where they left off without having to provide all of their data again. Or a consumer buying a TV from an online retailer and then receiving an email or targeted online advertising for a TV cabinet or a Blu-Ray player, instead of more information about another TV.

As a consumer, the consistent and convenient treatment from brands that create these types of experiences will quickly become our preference. While some brands have already got this omnichannel approach sussed, others are still only just getting to grips with multichannel communications. Marketers making technology investments in 2013 and beyond must consider how they can create the most engaging and personalised experiences possible for their customers.





The Ever Present Role Of Social

Consumers became increasingly engaged via social media in 2012; Facebook* passed the 1 billion user mark, there were more than 500 million active Twitter* users and Pinterest saw an unprecedented growth in traffic when it emerged from its initial beta stage. The continued challenge for marketers is to decide which of these channels represent the right fit for their business, how they should get involved and how much they should invest in ensuring that social experiences are beneficial to the business and the brand.

Many marketers remain concerned that they are not using social channels correctly or getting the most out of them. While models to demonstrate true return on investment are still in creation, the real opportunity for marketers lies within the new realms of data that these social channels create and how they can use the data to better understand their customers and improve their marketing strategies accordingly.

(My colleague Helen Crowley explores this further on page 22).

The London 2012 Olympics were dubbed by many as the first truly social games, adding further credibility to the channel. The BBC used Twitter to interview athletes and engage in conversations with global audiences, while the athletes themselves built communities of supporters online. While the Olympic sponsor brands used social channels for consumer engagement, public opinion was that it was in fact the non-sponsors, who worked around the strict branding regulations to create clever, engaging experiences, who had a bigger impact with consumers. Oddbins, for example, put up window displays offering 30% off to customers that came into a store wearing Nike trainers, carrying a set of Vauxhall car keys, an RBS MasterCard, an iPhone, a bill from British Gas or a receipt for a Pepsi bought at KFC. According to Experian data, Oddbins online properties saw a 22% increase in traffic week on week when the campaign was launched – demonstrating the bridge between offline and online events.

Global audiences have quickly become used to the inclusive and engaging nature of these highly socialised events, which in turn will set a precedent for all future events – regardless of size. Organisers must realise that if they do not set out a strong social strategy from the outset, audiences will conduct the conversation in their own forums, but the brand message will be much harder to control.

The Resurgence Of Email? It Never Went Away!

In my opinion, email marketing is like the little black dress of the marketing mix; reliable and never out of fashion. While social messaging and texting have become a normal form of staying in touch, as soon as you enter the workplace, email kicks in as the most acceptable form of communication and is the primary communications tool for almost all workers.

Indeed, almost seven out of ten respondents said that email remained their preferred channel for sharing and receiving marketing information with brands according to a survey that Experian conducted this year among 2,000 UK consumers. While younger consumers were increasingly likely to opt for engagement via social channels, the role that email continues to play in marketing cannot be ignored.

Email is a tried and tested marketing channel, especially for transactions, and is proven to be where the highest levels of conversation happen. It ties together the multichannel experience and it is at the backbone of many marketing campaigns. Marketers are already including social sharing buttons within email campaigns, but including more advanced, real-time content – such as social feeds and best selling products, ensuring emails are optimised for the mobile device on which they are opened and ensuring that the products are relevant and tailored to the recipient are increasingly critical to the success of any email campaign.



Marketing On The Go

Engaging With The Mobile Consumer

Consumers today are busier than ever, and the mobile industry is evolving rapidly to keep them connected while they are on the go. Indeed, industry predictions that were made at the beginning of this year for 2013 have already become reality before 2012 is out.

There is no denying that the launch of 4G is a game changer, but wide-spread adoption will take time. Generally when at home or at work, consumers have WiFi connectivity – and the arrival of WiFi on the London Underground this summer, coupled with access to free WiFi hotspots across most towns and cities plus the Cloud have brought new high-speed connectivity to places that were previously unreachable – creating an “always on” mentality (in the mobile section on page 34, Matt Potter discusses in more detail what all this means for brands).

According to the Mobile Marketing Association of Asia, of the 6 billion people on the planet, 4.8 billion have a mobile phone while only 4.2 billion own a toothbrush, yet only a third of all websites are optimised for mobile. Some publishers are embracing services such as Blippr – allowing consumers to scan a code on their mobile to be taken straight to a mobile site to buy a product – but see consumers drop off when the site is

not accessible by phone, which represents an opportunity wasted.

Michael Gove highlighted the need to update ICT education during his speech at BETT earlier this year. Plans are now in place to scrap the existing ICT curriculum from 2014 in favour of a new course that teaches all students the basics in computer science, programming and app development. These students will not be ready to enter the work force for while yet, but when they do they will bring with them a completely new set of skills and literacy for technology that marketers today can only imagine.

Yesterday, it was all about having a great functioning website, today it is about having a mobile optimised site – but I believe that tomorrow the focus will shift to mobile applications. Apps will quickly become the norm for consumers wanting to simplify their engagements with brands. Marketers must invest in creating engaging, simple and useful mobile experiences to keep consumers interested and coming back time after time. Banks and retailers are already moving in the right direction but they could all do more, and other savvy service providers should continue to explore these avenues in 2013 and beyond.





Digital Living



[Danny Thompson,
Product and Propositions Manager,
Data and Analytics, Experian Marketing Services]

We all know the internet is a big deal. Yet it is only when you stop and consider some of the facts about its recent growth that you get a grasp of just how big a deal it is and how ever present it has become in our daily lives.

By 2013, there are expected to be 48 million UK internet users

The UK has one of the highest penetrations of household internet access in the world, the majority of which is broadband. By 2013, there are expected to be 48 million UK internet users, and according to Ofcom's latest stats 76% of British homes are now connected to the internet, a huge jump from 2000 when the figure stood at just 25%.

Increasingly, and almost regardless of age, we are using the internet for shopping, social networking, booking holidays, searching for a new home or a new love, catching up on sports results or betting on them, as well as for conducting life's more mundane business – like paying energy bills or sorting out finances.

The ONS's latest annual internet access bulletin found that internet usage had increased across all age groups. While the largest proportion of users comes from the 16-24 year old category (some 7.18 million people), the largest decrease in non-users came in the 55-64 year old age group, with 86,000 getting online. Even internet user numbers in the 75 plus age group is on the up.

It is therefore not surprising that this has in turn led to significant growth in advertising on, and sales over, the internet. According to Verdict, online spending in the UK increased from 2.3% to 8% of total retail expenditure between 2004 and 2011, while sales over mobile devices have grown by over 500% in the last two years alone. Meanwhile, online ad spending in the UK, including mobile, is projected to rise by 11% in 2011, to £4.55 billion and by a further 12% in 2012.

All Age Groups Had Increased Their Use Of The Internet.

That is not to say that as consumers we have checked out of the offline world for good. Recent research conducted for Experian Marketing Services by Populous found that for 27% of the UK population the preferred communications channel is still post, second only to email. And this compares to just 8% who said Facebook was the preferred channel and 4% who preferred to receive brand communications via Twitter.

There is no doubt that as consumers we are getting more particular and selective. We choose to interact with brands at a time and via a channel that best suits us. And in a world where our online and offline activities are increasingly integrated it can be difficult for brands to know how best to engage us.

The UK's Digital Landscape

How has digital impacted consumer behaviour? And how do you classify, map and reach these consumers? While there are plenty of ways of segmenting audiences along more traditional lines and channels, with an element of online behaviour considered, what there has not been is a simple way to create reliable audiences that can be reached through all channels. Obviously marketing to consumers in this way is subject to regulatory requirements being met by brands and marketers.

By analysing over 1.2 billion web page visits, 27 million hours of online activity using Experian Hitwise and creating 190 distinct behavioural metrics to help understand how each group in our existing Mosaic consumer segmentation behaves online, we have been able to build a picture of UK consumers' lives online. Mosaic 'types' are modelled at postcode level and will therefore describe people likely to live within that household.

Using this segmentation we have identified 15 dominant online behavioural types from Trackers – those who keep up to date with their investments and the financial markets online – to Techno Geeks – the most prolific online community who spend time gaming and blogging.

Type	Name	% of UK population	Hours online	Description
1	Trackers	6.3%	59 mins	Individuals keeping a close eye on their investments and monitoring the financial markets. When they are not looking after their finances they research their family history.
2	Daytime Shoppers	2.6%	1 hr 1 min	People who are online during the day using the internet for shopping and managing family finances. This includes mums with pre-school and primary school age children or older people with fewer local shopping options.
3	Armchair Travel Bookers	2.1%	58 mins	Expect to see these people at the airport or enjoying a weekend UK break. They have discovered the convenience of researching and booking trips online, and checking the weather for their next break.
4	Newshounds	3.8%	1 hr 46 mins	A strong appetite to keep up with current affairs and keep a tab on their sporting interests in male dominated sports such as football, rugby and golf.
5	Escapists	2.5%	1 hr 46 mins	Online gamers that use the internet when they can as an escape from the humdrum of daily life.
6	Connected Kids	18.3%	1 hr 35 mins	Households with behaviour characterised by use of children's play and education websites, although mum and dad will often be checking the weather to see if they can get them off the computer and outside. Internet security is important to this group.
7	Efficient Surfers	8.0%	1 hr	Those in this group do not have much time for the internet, but use it as a source of information and a practical tool to help improve their own lives and their families' lives, whilst looking for a bargain.
8	Sporting Chancers	1.8%	1 hr 32 mins	Dominated by sports and sports betting sites, this group like their football and are willing to have a flutter on the outcome.
9	Seekers	4.3%	1 hr 40 mins	Looking for love, news and a new home – these people are using the internet as a source for making changes in their lives. They are likely to jump straight online when a thought occurs to them.
10	Internet Entrepreneurs	4.2%	2 hrs 27 mins	Their primary use of the internet is for buying and selling via auction sites. They may have identified the opportunity to sell unwanted items or they may have discovered how to make money by trading. Sourcing items online has replaced the High Street.
11	Online Community	9.6%	1 hr 44 mins	Utilising the internet for social engagement, mum's forums and finding a bargain on auction sites.
12	Social Connectors	5.0%	2 hr 10 mins	Use social networks to keep in touch with friends and family.
13	Bargain Hunters	3.3%	3 hrs 15 mins	Have an eye out for a deal with time spent looking for bargains on auction sites and shopping for the kids. Dads have interests in two wheeled pursuits be that of the pedal or motor variety.
14	Mass Entertainment	19.2%	3 hrs 23 mins	Will be found chuckling away at the latest viral clip on YouTube or listening to and downloading music.
15	Techno Geeks	9.2%	6 hrs 17 mins	Spend vast amounts of time online. They have a deep understanding of the internet and spend hours programming, gaming and blogging.



Of course, some of these behavioural traits are overlapping and complementary. We do not only book our holidays online or just watch YouTube, so we will (and do) fall into more than one of these types. The use of Facebook and Google dominate the visits to websites across the demographic mix, but beyond the obvious there are interesting online activities that can be used to differentiate both demographic and geographic audiences.

Here Are Three Emerging Behavioural Types

Daytime Shoppers – 2.6% of the population
Those in this group are online during the day and regularly use the internet for grocery shopping and managing family finances. They are often mums with pre-school and primary school aged children or older people with fewer local shopping options. They spend less time online than the average person and search for online discounts and fashion. Top websites for this group include Tesco, Barclays, Marks and Spencer, AutoTrader and Next.

Bargain Hunters – 3.3% of the population
These shoppers and fashion lovers search extensively for discounts and bargains, spending large amounts of time on auction websites to get the best deals for them and their children. They have a high overall use of the internet and are avid users of Facebook. These people also have a keen interest in biking – pedal or motorised. Top websites for the Bargain Hunters include eBay, Gumtree, HotUKDeals and AutoTrader.

Newshounds – 3.8% of the population
Newshounds are always looking to keep up with current affairs and sports online. The sports they are interested in and follow are male-dominated, including football, rugby and golf. They spend nearly two hours a day online, also using the internet for some shopping and online finances. They have a tendency to buy premium brands. Top websites for this group include BBC, BBC Sport, the European Tour (Golf) and Right Move.

What does this mean for marketers?

- Being able to identify and interpret online behaviour allows brands to leverage digital insight for true cross channel marketing, brands can identify geographic hot spots to target in new customer acquisition direct marketing campaigns, including direct mail, email and telemarketing. It affords them the ability to determine prime locations for local area marketing activity such as in store promotions, local press and outdoor advertising and define custom audiences to reach online, based on location and demographic insights.
- The world of marketing is changing and the capability to personalise and target communications based on custom audiences is here today, even in linear TV broadcasting. Only by having this level of detailed consumer insight can marketers ensure their campaigns reach their target consumer audiences.

Demographic Insights

The most affluent group in UK society is the Mosaic group known as Alpha Territories. Most commonly found in the wealthy and fashionable areas of London, this group is cash rich but time poor – so do not expect them to spend time trawling through the internet; they know what they are looking for and will look to get straight to the relevant pieces of information.

Using our online insight we can see that there are three behaviours that dominate their online activity. They are:

- **Newshounds** – spend a high proportion of their time online visiting news and information websites
- **Trackers** – more than twice as likely to visit investment and premium banking websites as the UK average

- **Armchair Travel Researchers** – more likely than any other group to research and book travel online, although some of this time is checking on Transport for London to check the journey into the city

On average the lowest users of the internet are those older, active people enjoying their retirement in pleasant locations (the Mosaic group Active Retirement). Yet they are far from being digitally excluded and they are active online. Whilst they are the least likely to use social media they are the group most likely to be looking for the holiday of a lifetime, and in particular visiting cruise websites. As might be expected, the peak time for personal internet use is the evening and this is fairly consistent across the days of the week. However, there are some groups that dominate use at other times in the day. Young single people on limited incomes, who largely make up the Mosaic group Upper Floor Living are most likely to be online between midnight and 3am – these online escapists are likely to be found on gaming sites.

Identify and reach emerging groups

The newly identified behavioural types – such as Bargain Hunters and Newshounds – are not new consumers; these people have always been there. But their behaviours are changing in line with the irrepressible rise of digital technologies. Such changes must be identified and analysed to better inform marketing activities. Indeed, it is by keeping on top of the evolving behaviour of consumers that marketers' efforts can be accurately targeted and implemented across the right channels.



The Value Of Social Data

[Helen Crowley, Managing Director, Alchemy Social – an Experian company]

With more than a billion people on Facebook and half a billion Twitter users, there is no doubt that 2012 was the year that social media became firmly established within the mainstream of digital life. In the UK, social media makes up 12% of all internet visits and 23% of the total time spent on online.

The size of this audience is impossible to ignore and 2013 will see social media continue to account for ever larger shares of marketing budgets. Social technologies hold massive potential to transform organisations; McKinsey recently put the value at over \$1 trillion dollars, but despite this, CMOs across the country are asking, "How are MY investments in social improving marketing engagement for MY business?"

When it comes to social, the challenge for marketing departments will be to monetise and measure their social investments by understanding the value of the data, insights and conversions that these social channels create.



IN THE UK, SOCIAL MEDIA MAKES UP 12% OF ALL INTERNET VISITS AND 23% OF THE TOTAL TIME SPENT ON ONLINE.

Measuring The Immeasurable

While the obsession with blindly chasing fans or followers has lost credence (yet remains sadly prevalent in some organisations), it leaves many wondering "What do we count now?"

Creating social communities, investing in social campaigns and integrating social features and functionality into websites all drive business value in a myriad of ways, but the biggest impact for brands comes from the referral traffic that consumers generate when they share a brand's content with their network of friends. One of the major challenges for brands is to measure the resulting effect that this social sharing has on their online businesses. Those that can measure the impact often end up doing battle with complex attribution models within their web analytics tools and the separate solutions across each social network.

I believe 2013 will see the evolution and more mainstream adoption of tools that provide straight forward ways to measure the value to the business of this social sharing. In turn, this will help businesses return to the challenge of creating the unique and amazing social media campaigns that are necessary for word of mouth to flourish.



[Helen Crowley,
Managing Director, Alchemy Social – an Experian company]



The Data Behemoth

It is no secret that social media generates unprecedented volumes of consumer data. When used correctly, this data enables marketers to better understand their audiences and use these insights to create more engaging and relevant experiences across all channels.

The past five years have seen a proliferation of vendors that help brands capture and analyse the stream of social media conversations, as well as assisting them to deploy social content. 2012 saw the start of consolidation in this space with acquisitions by several of the established players in marketing, CRM and BI technology and this looks set to continue into 2013.

This consolidation in part reflects the fact that getting real value from the consumer data available through social media demands the attention, skills and technology of customer analytics and business intelligence functions. As this shift starts to take place, forward thinking brands will increasingly start to leverage social consumer data for predictive decision models within sales, marketing and customer service.

A longstanding barrier to integrating social data into the analytic functions of organisations has been the difficulty in linking individual customers to the stream of public social conversations and private social profiles. Brands are starting to overcome this by directly connecting with their customers through social logins. These direct connections are already used to power a new generation of mobile and browser apps and games that tailor content based on social preferences, such as newsreaders that show socially relevant news stories.

As more brands start to take advantage of features that enable these connected customers to seamlessly share content within their applications or websites – they will need to balance the finite space available within social network users' newsfeeds. It will become vital to use a data driven approach to understand the effectiveness of this sharing, or they risk overloading users and shutting themselves out of the conversation entirely.



Interconnected Audiences

The full potential of socially connected customers from an analytics perspective remains in its infancy, but in 2013 I believe we will see a transformation of the perception of social data's value. As brands start on this journey, ensuring privacy and trust will remain paramount. Recent YouGov research, commissioned by Experian, shows that there are segments of the population that are wary of sharing data with brands across social channels, and brands must respect this in their quest for value.





A New Dynamic For Search

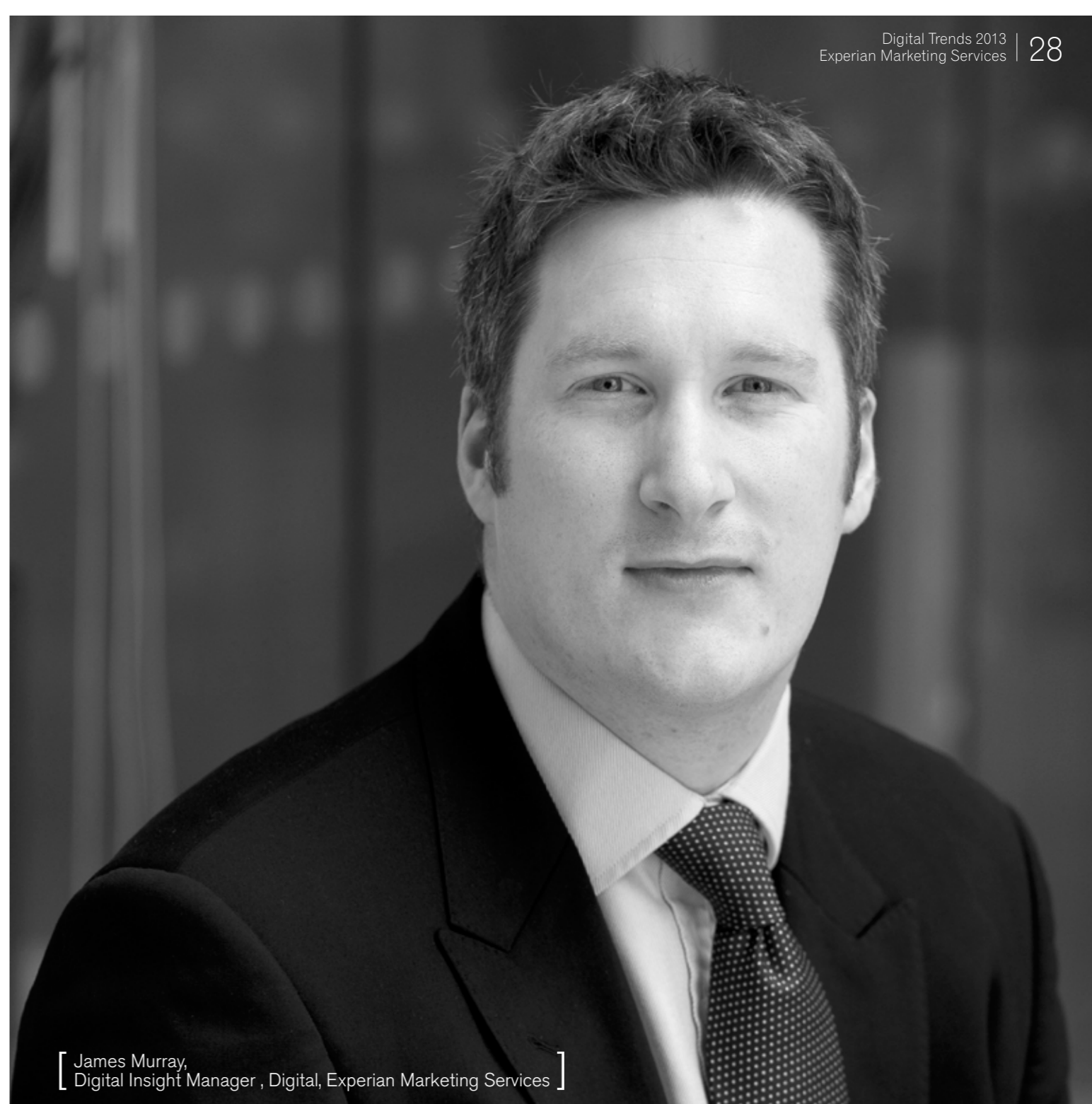
[James Murray, Digital Insight Manager , Digital, Experian Marketing Services]

2012 has been a year of growth for search, not just in terms of volume but also in its maturity and prominence within the marketing mix.

By the end of 2012, UK internet users will have made a billion more visits to search engines than they did in 2011. It currently takes the UK a fortnight to make a billion searches; by next year that will be down to 12 days and by 2015 it will take just over nine days.

This does not take into account the phenomenal growth in mobile internet usage, which represents a huge step change for the industry as smart phone penetration in the UK surpasses the 50% benchmark. As we come to depend on the internet for more and more of our daily activities – both on our desktops and through our mobile devices – search will continue to evolve and grow.

As the volume of searches increases, the rate of paid vs organic search clicks has remained consistent with 90% of all search clicks coming from an organic link and the remaining 10% coming from paid links. The equilibrium between paid and organic search has been fairly constant for the last five years, with only very minor deviations along the way. What this means is that with more searches being made year-on-year, the volume of paid search clicks is also increasing, which in turn means more money was invested in search advertising in 2012 than ever before.



[James Murray,
Digital Insight Manager , Digital, Experian Marketing Services]

Search Behaviour Has Changed Forever

So more searches are being made and more money is being spent on search advertising. But how is search behaviour changing? As time goes on, the way we search has become more complex with a higher proportion of searches coming from longer key phrases.

In 2011 50% of searches contained just 1-2 words, 34% contained 3-4 words and just 15% contained 5 or more words. In 2012, we saw a shift to longer keyword searches with 49% containing 1-2 words, 35% containing 3-4 words and 16% containing 5 or more words. This shows us that users have become more sophisticated about the way that they are searching; they make more detailed queries and in turn have a higher expectation that the information returned by the search engine will be what they are looking for. To stay ahead of the curve, marketers should carefully track how these search trends evolve and think carefully about the content they need to serve in order to satisfy these increasingly complex search queries.

Search engines are leading this content evolution as they become more like content portals and less like navigational tools that take people from A to B on the web. Increasingly we are seeing more information being

posted in search results (such as the Google Knowledge Graph) which keeps users on the search page by providing more detailed information linked to the users search term – rather than navigating away to a specific result. Millions of information queries from currency exchange rates to weather forecasts to celebrity appearances are being answered by the search engines themselves without the need for the user to click through to a website. This shift will increase our dependence on search.

As internet users become increasingly reliant on search engines as their passport to the web, the focus on Search Engine Optimisation (SEO) for marketers becomes exponentially more important. As the main engines adjust their algorithms to thwart inappropriate “black hat” SEO techniques, such as keyword stuffing and buying links, this puts an even greater emphasis on best practice and in particular relevant content. The success of search marketing has always been and will forever be grounded in relevance. By understanding precisely how people are searching for a product or service, brands can then align themselves to those search terms, and in turn receive more online traffic and sales.





Search Leads To Sales

Acquiring more search traffic can only take a brand so far. A click is one thing, but a conversion to purchase is something different altogether. More overall traffic is not enough; it has to be the right kind of traffic. To that end, in 2013 search marketing must go back to basics and remember that the key is still to understand the needs of the customer.

Search segmentation, for example, allows companies to understand the types of people who are searching for a particular product, what else those people are searching for, which social networks they visit and what media they consume. The wealth of data available is extraordinary, and the ability to turn that data into actionable insight is becoming easier, allowing companies to target their most

profitable customers both online and offline by engaging with them in the places they know they will be, with a message that is relevant to them.

DID
YOU
KNOW?

YOU CAN EXPECT AROUND 20
ADDITIONAL WEBSITE VISITS PER NEW
FACEBOOK FAN

Understanding The Customer Behind The Search

In summary, the UK is making more searches, spending more time on search engines and making more complex searches than ever before. By understanding the impact of these changes, digital marketers can to reduce their paid search spend, target the right keywords and create web content that is relevant to the constantly changing demands of their target audience. As more rigorous demands are made to prove ROI and maintain high conversions, understanding the customer behind the searches will become more important in 2013.

In 2013, one of the most important success factors will be the integration of search into a more comprehensive digital strategy. As consumers come to expect a seamless customer experience from a brand regardless of channel, it becomes more important than ever to work collaboratively and eliminate the silos that exist between

different aspects of digital teams. In many ways, search is the glue that holds digital together; strengthening the effectiveness of social, email and advertising strategies. With this in mind, search will still be at the forefront of digital, but it will be stronger by virtue of the other elements it combines with.



The Mobile Revolution

[Matthew Potter, Director of Product and Propositions, Digital, Experian Marketing Services]

Mobile is an industry full of innovation, change and remarkable growth. Indeed Gartner predicts that by 2013 mobile phones will overtake PCs as the most common Web access device worldwide and that by 2015 over 80% of the handsets sold in mature markets will be smart phones.

2012 was busy with developments across devices, software and networks. The release of high profile handsets including Apple's iPhone 5 and Samsung's Galaxy S3 alongside significant software upgrades such as iOS6 and Android JellyBean all meant that marketers and brands had to continuously assess their mobile presence to ensure that marketing efforts were consistent and functioned correctly across all platforms.

2012 also saw the launch of the UK's first 4G network. The incredible potential of 4G to provide consumers with huge bandwidth will fundamentally change the way that consumers access the internet – similar to the impact of broadband following dial-up.

Key developments in the mobile space shape the way we behave towards and engage with brands. Mobile has a unique ability to connect channels and create seamless consumer experiences – for example, m-commerce allows consumers to shop on the go, social media apps enable customers to share and engage on the go while location-based apps provide a valuable link between online and offline.

Marketers must recognise the unstoppable rise and development of mobile technologies and prepare for an exciting 2013.

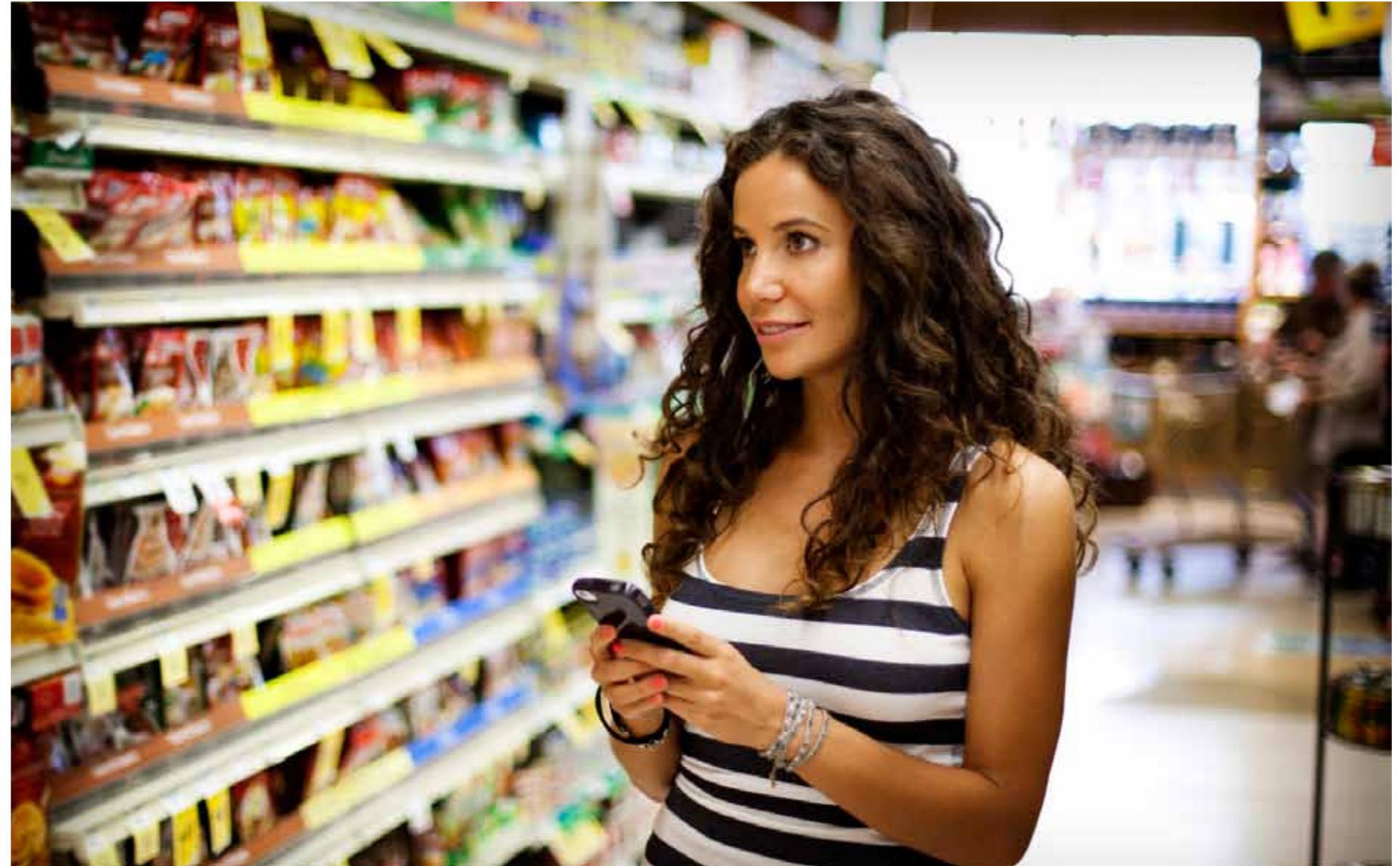


[Matthew Potter,
Director of Product and Propositions, Digital, Experian Marketing Services]

Optimise For Mobile

Of the six billion people on the planet, 4.8 billion have a mobile phone whilst only 4.2 billion own a toothbrush, according to research from the Mobile Marketing Association of Asia – further demonstrating just how pervasive mobile technology has become. We have become accustomed to seeing adverts and content encouraging consumers to search on the go, or to use QR code readers on our mobile phones. However, many of these search terms and QR codes take consumers to websites that are not optimised for the mobile experience – indeed; only a third of websites currently have optimised versions for mobile.

Brands must turn this around in 2013 if they want to engage with consumers on the go. Marketers must ensure that their websites are optimised for use on mobile and provide good quality apps to make sure the mobile experience is smooth and offers the same level of functionality as the standard website. Consumers will navigate away from clunky, non-functional websites and these brands will miss out on sales and engagement opportunities. Not even the quicker loading times of 4G can save a non-optimised website.



4G: Changing Perceptions, Behaviours And Opportunities

The impressive bandwidth that 4G provides will not only transform consumers' perception of the internet and its capabilities, but will also see far more information shared through, and flowing over, the UK's cellular networks. Brands must prepare for this, implementing appropriate data collection and analytics tools to ultimately deliver more personalised marketing and engagement.

4G will also see consumers change the way they apportion their time using their mobile phones. The additional bandwidth will ensure that content is delivered more quickly, freeing up time previously spent waiting for loading to complete. This has two implications: while consumers will have more time in which they can be marketed to, they will also become far more discerning about when they are willing to be marketed to. Marketers must remember the normal rules of engagement here: deliver the right message to the right person at the right time. Understanding customers and their marketing preferences will

become increasingly important, as many will be keen to switch-off from marketing contact at certain times, bringing a whole new meaning to the term 'silent mode'.

Furthermore, with 4G tariffs still being established in the UK, data consumption will remain a concern for consumers. Marketers should therefore avoid pushing too much unsolicited rich-media content, as this will burn through data limits and result in frustrated consumers that can no longer access the content that they want. Finally, while 4G is a game changer for mobile, wholesale change will not happen overnight. Brands must remember those that have not upgraded to 4G and 4G-ready handsets – continuing to ensure that mobile experiences perform well regardless of the device or operating system.

Savvy Marketers Will Use Mobile To Bridge Online And Offline

As smart phone penetration continues to grow, mobile apps that encourage brand engagement and bring together the online and offline worlds will continue to grow in importance. Some companies are already demonstrating strength in this area; for example, Debenhams reported that it had generated an additional £1m in sales in five months through a smart phone app that allows customers to scan QR codes in advertising and store windows, and 'snap' product barcodes to display information such as customer reviews.

Location-based mobile services are also well-placed to bridge online and offline, allowing brands to communicate with consumers while they are in and around physical stores. Savvy marketers will look at greater rewarding for 'checking in' and sharing location-tagged brand endorsement, as well as delivering offers and updates to consumers via their mobiles as they approach their brands' stores and events.

This increasing use of, and reliance on, mobile devices for information and connection to social networks, emails and interests will only strengthen the need for greater mobile optimisation of websites and services.

Mastering mobile

The pace of innovation in the mobile space shows no sign of slowing. Therefore the importance of mobile to marketing efforts in 2013 cannot be stressed enough. Marketers must recognise, address and master the key developments highlighted here – such as 4G and bridging online and offline – or face falling behind the curve and losing valuable customers.



The Year That Emails Came To Life

Email is perhaps the most established channel in the digital marketing mix, but by no means is it old news. Email is constantly evolving and is as powerful and exciting as the data and the creative that sits behind it. When used correctly, it is an instrument of precision that marketers can use to target customers in a way that is proven to deliver high levels of engagement and conversion, while maximising returns on marketing investment.

We believe that 2013 will be the year that email truly comes to life. So how should clever marketers be using email today and tomorrow to make their marketing campaigns fly?

Email At The Heart Of Cross-Channel Marketing

If a person opens an email on their mobile, enjoys the content and shares it with their friends via social media – is that engagement via one channel or three? To the consumer it does not matter. What matters to them is that they received an email which they were able to open on their own terms, that the content was relevant to them and that they were able to share it with their friends through social media in the way that they have become accustomed to.

While some marketing channels move faster than others, email sits squarely at the heart of many important customer interactions. Marketers must stop thinking about channels independently and instead employ tools that enable them to create and manage cross-channel campaigns that engage consumers in a way that interests and excites them.

Creating tailored personalised experiences based on data

Email is a great relationship building tool for brands and their customers, but it is important to remember that a good relationship is about listening as well as talking. By listening to customers and taking the time to understand who they are and what they like, brands can deliver emails at the correct frequency, optimised for the right device, which contain the right type of content for the recipient. The more advanced the industry gets, the more important it becomes to listen and respond in as close to real-time as possible.

Today, it might still be enough to send an email that contains content broadly tailored for either a male or female recipient of a certain age and still see good levels of engagement. But in the future, brands will need to learn from each customer engagement and link transactional data together in a clever way – for example, if a female in her mid twenties buys a coat on your website, a brand should follow up with an email showcasing the scarves and hats that suit the coat she has bought.

Some brands, such as Amazon are already doing a great job of this, while others still have a long way to go.

Real-time content

When we enter the work place, email becomes the default communications tool for almost all professionals and engagement levels are high. But when it comes to our personal email accounts – the place where many of us receive the majority of our marketing content – engagement levels often drop and we might only check in once or twice a week, compared with social networks which many of us check multiple times a day.

If a person only checks their email once a week, but eventually does open an email, it is important that the information is as relevant to them as the day it was sent. The key here lies within delivering dynamic, live content. People want to know what is available today, not about a sale that ended yesterday. The ability to update email content once it is in the inbox will become an increasingly important trend in years to come, as consumers become increasingly used to real-time engagement with brands.

Some brands – including UK mobile carriers – have started sending SMS messages to customers to alert them to an email in their inbox. This uses the real-time immediacy of a text message as a prompt to open the creative content that is contained in an email. While only a few brands adopt this approach, it is a clever way of driving email engagement – but if you received a text message from every brand that sent an email, this would quickly become an annoyance. Similarly, brands need to use clever analytics to understand which customers are slow to open email and those that regularly engage. Getting chased to open an email that you have already opened would be just as annoying.

“The ability to update email content once it is in the inbox will become an increasingly important trend in years to come, as consumers become increasingly used to **real-time engagement with brands.**”

Email on the move

According to recent research by digital agency Steel, more than a third of consumers read marketing emails on their mobile, which rises to 55% among 18-34 year olds; a high proportion of many marketers' target audience.

It could be argued that the added functionality that comes with mobile – location based services, the always-on mentality, the more obvious call to action – makes for a better, more targeted email experience than that of the desk top. But then what mobile makes up for in engagement, it can lack in delivering true creativity.

Both certainly have their benefits. The challenge for email marketers is to ensure that their campaigns render correctly on whichever device the consumer uses to open their email.

Whichever way you look at it, email is not dead. Far from it, email is still coming into its own – and marketers should consider the power that this channel holds when considering marketing strategies for 2013 and beyond.





The Big Potential Of Big Data

[Colin Grieves,
Director of Strategy and Propositions,
Data and Analytics, Experian Marketing Services]

Data has undoubtedly been a marketing buzzword now for a number of years. On the marketing conference circuit in 2012, no agenda was complete without an array of presentations warning us to 'watch out' and telling us to 'get ready' for the Big Data explosion.

But throughout the many presentations I sat through in 2012 – many of which were very good – there always seemed to be a bit too much theory and not enough practical application. So as the year draws to a close, I thought it was time to get practical. So here are my thoughts on where and how data will make a difference and the trends to watch out for in the coming years.

“On the marketing conference circuit in 2012, no agenda was complete without an array of presentations warning us to **‘watch out’** and telling us to ‘get ready’ for the **Big Data** explosion.”

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Big Data – How Does It Make A Difference?

Let us start by briefly considering exactly how and why Big Data is so important to marketers. It covers four key areas:

- **Knowledge is power:** The quality and type of data that can be linked to consumer attitudes and behaviours is growing and becoming increasingly accessible. It stands to reason that the more accurate information we have about our targets, the better marketing decisions we can make.
- **Speed is everything:** “Knowing something is good, but knowing more about something is better”. This is usually the case, but the ability to know something AND have enough time to do something about it moves the needle on further still. And if that knowledge allows you to influence the decision making process of a consumer, then you are starting to bring science into the marketing discipline.
- **Executable insight:** Another transformational element of Big Data is that it creates executable insight. The link that enables you to access the data generated by Big Data will also act as a delivery mechanism back to the consumer.

- **Channel choice:** We are coming to an age when the information and insight you have about a customer or prospect can be used to communicate with them across any channel at any time. It is Big Data that makes this possible.

Big Data is important and can help marketers to do their job more effectively. If that is not big and indeed clever then what is?

1. New data from new places

2012 saw mobile network operators (MNOs) make strides in the use of their location based data, and this will continue into 2013. Think about the ability to identify the position of a mobile device to within a five metre space at any time and you have got a good idea of what the MNOs are getting excited about. The ability to accurately monitor footfall in and around stores, to help prevent fraud and to engage with consumers when you know they are in store are all functionalities that are heading our way.

Of course, the consumer (and ultimately their privacy) are of central importance here. Consumers must be educated about how their data is being used, and be given the opportunity to easily opt out if they wish. But this type of data and its appropriate and

sensible use should not be seen as “Big Brother” accessing Big Data. It promises to generate better customer services and offers and even protect the consumer - and that is a good thing for everyone.

2. The potential of social for advertiser

Some say that social is not the right channel for advertising; that people are not receptive to commercial messages when poking their friends, perusing a colleague’s holiday photos or setting up weekend plans. But we believe they are wrong.

We believe that social as a channel will make significant steps forward in 2013 thanks to the ability of social to target messages to audiences with such precision. In 2012, Facebook launched its Custom Audiences offering, which was the first step to making the channel a genuinely effective targeting tool. Custom Audiences allows marketers to target their own customers via Facebook by uploading their database of customer email addresses, which enables Facebook to find their target customers online and serve Facebook ads only to the people they are trying to reach. It might sound simple, but for the first time it gives marketers full control over the audience that they are reaching through Facebook.

3. What's on the telly?

When the majority of the marketing conversation is focused on data and tailoring messages to your audiences, you might think that TV and its mass broadcast approach would not be a channel to consider. But we believe that 2013 will be the year when we see the first examples of targeted advertising within the TV environment. It is likely to start with the ‘on demand’ services and then progress onto linear broadcasting further down the line, but the day when you and your neighbour are watching the same episode of Come Dine With me but you see the credit card ad and they see the ad for cruises is fast approaching. This in turn has the potential to revolutionise TV advertising, how it is bought, how it is sold and how it is measured.

What will make this happen?

It is easy to get excited about all this data, these new models of targeting and how they will drive improved marketing performance and enhance the consumer experience. But what enables all this? There’s no that doubt that technical infrastructure is the combustion engine in our new marketing vehicle. But the fuel is not just data – it is linked data.

The ability to make sense of the multiple disparate data sets that sit across organisations rests very much on digital linkage keys – such as email addresses, mobile numbers, cookies, and device IDs. These keys enable the data to be linked and will enable Big Data to work for you to improve marketing effectiveness and engagement. The imperative for any business that wishes to embrace the potential of Big Data is to build the links within its data and their history with you, regardless of channel.

It's An Exciting Time To Be A Marketer!



Connect With Us

If you wish to chat with a member
of the Experian Marketing Services team,
please contact us:

Telephone – +44 115 968 5005

Website – www.experian.co.uk/marketingservices

Experian Marketing Services,
6th floor, Cardinal place,
80 Victoria Street,
London,
SW1E 5JL

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