

2020

MARKETING OUTLOOK

 **BLUE C**
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AMERICAN MARKETING
ASSOCIATION

Orange County

Trends in Brand Development,
Advertising and Marketing Strategy
to Drive Demand and Loyalty

THE YEAR AHEAD – GOTTA BE BOLD

2020 should be an exciting year for marketers. Early results of Black Friday 2019 indicate significant gains over 2018. The Wall Street Journal estimates nearly \$800 billion in sales for the 2019 holiday season, with e-commerce accounting for 23% of the total (in 2016 it was 18%).

Most analysts don't foresee a stock market meltdown this December like we saw in 2018, but they do suggest a significant slowdown in earnings, not a recession, but a slowdown. With record low U.S. unemployment, improved wages for most income earners, a continuing booming stock market and growth in online and mobile sales, what's not to like?

If there is a slowdown, we can assume slower sales and increasing inventories. Inventories reduce cash flow, and if sales aren't bringing in cash, CEOs will likely focus on moving existing product at reduced prices. This further challenges cash flow and could have an impact on employment levels, which, in turn, could have an impact on consumer spending.

2020 will be an exciting year for sure, and it will set into motion a new decade of presidential elections, continuing trade challenges with the world, advanced technologies with more connectivity, autonomous vehicles, space tourism with trips to the moon, wearables being replaced by insertables, and who knows, a new planet Amazonia situated in the Googlexic galaxy!

What a great time for bold marketers! Welcome to the new and exciting decade of Bold!

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THE ECONOMY AND THE E-ECONOMY

The “wealth effect” – the idea that consumer and business spending goes up with increases in stock prices, could taper with a downturn in the stock market. With the upcoming political year, it is highly likely that investors will cash out of some of their returns in early 2020, which could result in slower consumer and business spending in the early part of the year. Both B2B and B2C buyers might focus on “must haves” and delay the purchase of “nice to haves” until mid-year.

How does this impact how we promote our brands?

Most businesses adjust their marketing budgets based on fluctuations in revenues. While the national fundamentals currently show record earnings for businesses and investors, reduced unemployment and predictable federal rate hikes, we could see an economic correction or even a downturn, which would impact the gains made to date and hamper consumer spending – to a point.

Bold businesses will execute strategies and plans with these fundamentals already baked into their outlook – they’ll stay their course with conviction and will move forward using calculated risk corridors. They’ll unleash their stored energy when their competitors quiet down and wait. Bold businesses will execute modular strategies and stack up smaller wins through any economic climate. They won’t be quiet; they’ll be heard.

Brands will need consistent and smart brand messaging and positioning that creates awareness across all media so that when consumers or businesses are ready to buy, bam! They buy.

Brands will need to aggressively disrupt any consumer mindset and climate with innovations (not just product improvements) that get attention, keep attention and secure the sale at a time that the consumer is in the market for the product and is ready to buy.

And, successful brands will do this through a mix of brand strategy alignment, marketing tactics, and digital transformation.

BUYERS' ATTITUDES

1. Buyers increasingly gravitate toward brands that express social responsibility and purpose, with an eye on protecting the planet, or harming it less than other brands.
2. Buyers are okay with brands using a mix of traditional and digital communications to bolster their brand image – as long as they confirm to consumers that they're doing it, and using various tools, where they were manufactured and how much greenhouse gas was created in the process.
3. Buyer interest and loyalty are tied to a brand's perceived authentic value and honesty, how the brand demonstrates a focus on the consumer's needs and preferences, and how well the brand connects with consumers in their favorite media without any hiccups or delay.
4. Buyers are on the hunt for the next shiny penny, and they have horribly narrow attention spans and very little trust for corporate America. In fact, the word "corporate" itself is becoming a four-letter word.
5. Buyers want a deep emotional attachment with a brand and will love it if there are no hurdles, complexities or confusing processes – and don't make them wait any longer than they feel is necessary. As producer Robert Evans once said, "Immediate gratification takes too long."
6. Buyers' purchase decisions are heavily influenced by consistent content marketing and creative social media campaigns.
7. Buyers typically consider up to 12 sources of information before making a buying decision.
8. Buyers actually want to see good content – they want to be entertained, engaged, informed, enriched; they want something meaningful, and they want to connect with it seamlessly. Mobile is key.
9. Buyers want brands that take a stand and have a point of view; that connect with their lifestyle and community.
10. Buyers want purpose and functionality, and they'll abandon you in an instant for the next shiny penny.



I ❤️ MY
BRANDS

BRANDS – BE BOLD OR BE OLD

While both B2B and B2C consumers recognize various brands and brand stories, they're looking for the ability to share their experience with a brand with someone else, thus becoming the new influencer (you don't need to be a celebrity to be an influencer; you just need a good social network).

Brands look to marketers to execute the right mix of activities that drive consumer demand to them and help them nurture those consumers into loyal advocates who, in turn, get other buyers to buy, and so on.

Content marketing will still dominate marketing plans in most industries, with video content capturing an increasing share of any business's marketing budget. Properly done, video is entertaining, memorable, sharable through social media, easily serialized into modular segments, and offers a high conversion rate.

On the business side, brands are contemplating how digital transformation is going to transform the actual work they do and just how much work will be done by machines instead of people, and when.

Some estimates suggest that upwards of 50% of available jobs by 2020 will be "gig or project" jobs: the new economy. And, with this comes probable changes in how consumers consider brands and make purchases. This opens up exciting new avenues for marketing communications and inflates the importance of brand influencers, and fast.

Who are these "gig" and "project" personas and how does this massive change impact brand marketing strategies? With the majority of videos being viewed today on mobile devices, video content is available to be consumed 24 hours a day, 7 days a week.

According to a recent McKinsey report, about 33% of US workers could be jobless by 2030 using technology that is currently available. This equates to something like 45 million jobs. Sure, other jobs will develop, millions of them, but the transition from today's activities to tomorrow's is pretty frightening.

For brands, it's still going to be about brand strategy alignment, increasing the strength of one-to-one customer relationships and innovations that keep a brand vital, inviting and desired. It's all about being relevant and transparent.

A good quality brand can always execute price increases. An average brand has to sell at discount.

Our position is not to be average, but to be bold.

MARKETERS

It's all about bold executions and outcomes.

We can talk all we want about creative, but we need to hunker down, let data inform us of direction, devise a brand strategy, follow that with big-idea creative and compelling copy, generate demand and sales with scalability and deliver it all with a predetermined margin.

It's all about Attitude, Aptitude, and Amplification.

Marketers need to be vocally compelling advocates, in love with their brands, who lose sleep every night because of enthusiastic ideation; they need to be firm in their effort to drive consumer demand and loyalty, and not just do great creative – but stunning big-idea creative and coordinated campaigns that people will want to share with others, save on mobile devices and view or play over and over again.

With a business's employees more and more becoming a brand's influencers, we need to prepare to be welcomed into the CEO's office, the CFO's and other C-suite executives', not to justify our expenses or outcomes, but to engage in strategic collaboration to help our clients "market" inside to their own employees just as we do on the outside to drive consumer demand.

Bold brands will replace "how to's" and "talking points" with vibrant brand books, stories, engaging video content and repurposed content that engages the employee community in a culture shift that transforms paid employees into brand ambassadors.

Marketers will spend more time in the brand's office to coach and develop our clients' teams more than just respond to their requests.

The role of marketing has changed, and as leaders, we must diversify both our strategies and our skillsets. Digital channels are saturated, data is underused, and a large majority of brands are unable to build trust in this ever-changing digital economy. As the C-suite demands more detailed ROI and the CMO role hangs in balance, how can we ensure our brand stands out in a sea of content?

PREDICTIONS

TRENDS PICKING UP SPEED

CMO Role Change – Technology has changed how we look at brand awareness, conversion rates, and customer loyalty. It's now about linking all of that with sales and hitting revenue targets. It's more about metrics and attribution, with greater expectations for demonstrating measurable performance and ensuring predictable revenue generation. CMOs will continue to expand their influence in direct proportion to their delivery of revenues.

Marketing Role Change – We've expanded from brand awareness, storytelling, lead generation and nurturing, to include sales enablement. Aligning marketing and sales is no longer a "nice to have," it's a mission imperative. Marketing will spend more time engaging with and involving Sales before going public with a product, will help develop and provide insights on handling prospect objections and conditions and will spend ever increasing amounts of time with sales teams during the final stages of closing a sale.

Pipeline Generation – The CMO's job has expanded from generating pipeline to ensuring that what comes out of that pipe compels the right consumers to buy or is a highly qualified and properly scored lead that is efficiently routed to the right person or team to complete a sale. The question will be does the CMO report to the head of Sales, or the other way around?

The Customer Decision Journey or Funnel – The classic funnel or path has been replaced with a circle, multiple circles, flywheels and more. Consumers don't follow the path marketers have set for them anymore. The fluidity of information, narratives from others, news reports, etc., disrupted the model long ago. Today, we have to get our messages to prospects before they know they have a need, or a problem to solve, with the hope that we stay on their changing radar long enough to be their choice. Now, that's a strategic puzzle!

Reducing the Digital Clutter – Everyone is hit with too many messages. Over time buyers can become suspicious of a constant barrage of messages that they know are targeting them because they clicked on something or searched for something. It can be staggering to get daily messages from companies because a consumer downloaded a whitepaper. Digital is not the only way to get a sale.

TRENDS PICKING UP SPEED (continued)

Video Content Development and Distribution – Can't beat it. Video continues to outperform all other content formats and likely will continue to, at least until VR contact lenses are perfected, reliable and affordable. Regardless of the production quality, video gets results, is evergreen, and still improves SEO, gets people's attention, entertains, is easy sharable, can be used to explain the brand story through webisodes, integrate influencers, demo a product, and highlight testimonials; the list is endless. A good mix of recorded and live content is a sure winner.

Experience Versus Product – The discussion has been shifting for some time, and there is some debate, of course, about generational considerations; it goes back as far as "benefit and feature." High impact experiences with products are much more memorable than the products themselves; we remember the great service we got at a restaurant more than what we ordered for our meal. Brand story, design, packaging, fulfillment; all play a part.

Fully Integrated Is Not Just Digital – The intersection of traditional and digital marketing has been gaining a lot of momentum. This suggests that direct mail and other forms of direct response marketing tactics are now driving results and, in some reports 5X to 10X, returns and more. It's how it's orchestrated that makes the difference and, yes, it's expensive; but only if it doesn't work.

The Cancel Culture – Influencers will continue to win, but the cancel culture issue will make them harder – the accountability for big name influencers and even micro-influencers is massive. Real or not, brands can't afford to be cancelled by any of their addressable audience.

Data Security and Privacy – The topic will move higher in priority as more data is created, captured and stored. Marketers that identify very clearly how any captured data is used, stored, shared and/or destroyed and add third party validation for credibility will do better than those who don't.

ADA Website Compliance – The Americans with Disabilities Act (ADA) requires certain businesses to make accommodations for people with disabilities. Web content should be accessible to the blind, deaf, and those who must navigate by voice, screen readers or other assistive technologies.

TRENDS PICKING UP SPEED (continued)

The Johnson Box Is Back! – Position Zero in SERP isn't very new, but it's exciting to see it back. Frank Johnson used a box at the top of direct mail in the 1940s to call attention to important points of an offer. That's Position Zero in search. Can't wait to see the next iteration of carbon paper, or telephone messages pads, or paper day timers.

The Human Factor – People still like engaging with people. And, if the people in any brand's marketing mix are pleasant, polished, knowledgeable and effective, the brand gets a significant boost. Brands that add this dimension create stronger experiences than brands that use bots – but, the imperative is that the brand's representatives know what they're doing, have the ability to communicate, and demonstrate good manners. Sometimes bots are better at this than some people. Go figure.

Content Development – There's content development and there's interactive content development. One is informational, one is engaging. One is satisfying, one is compelling. One works before a sale, one works before, during and after a sale. Guess which is best? Interactive. It can be as simple as reformatting existing collateral and material into assessment tools. One can use webinars, online calculators and user simulation tools. The most powerful is experience focused. A consumer gets inside the content, engages with it and, as a result, alters the content. This moves it from informational to experiential, and much more sharable.

ICP / Predictive Lead Generation / Scoring – You can only create successful products or solutions when you know whom the most motivated buyers will be. It's critical to understand as much as you can about the core target customer segment to whom the brand is intended to appeal and drive relevant messages that compel them to act. Marketers that put more time into the ICP reduce nuisance interactions and increase positive results.

Brand Purpose – The Emotional Connection and Benefit – Brands with purpose have been around for a long time; they just didn't dwell on it. Today, brands without purpose are finding it harder to compete with brands with purpose. Now, it's become important to advertise one's purpose, which creates a compelling and highly emotional connection between the consumer and the brand. This must be relevant, differentiating and believable. How a brand positions its products/services determines how it gets into the hearts and minds of the target customers. This has to be authentic and human and the humanness needs to be announced. Why does an organization exist, what problems is it solving and how does it want to relate to each person it touches?

TRENDS PICKING UP SPEED (continued)

Voice Search – Huge changes in behavior have been studied already that are driving marketers to work on long tail key words and conversational text that ensure that voice search gets to the right product. Translating messages through voice is growing. Businesses and agencies will develop voice strategies fully integrated into their marketing mixes.

Autonomous Vehicles – Content development for autonomous driving vehicles will be unbridled. Imagine content based on the length of the commute – webinars, classroom lectures, continuing education training, full on video meetings, interviews – the opportunities are endless.

C-Suite Engagement and In-House Consulting – Agencies will spend more time in consulting modes than ever before. Fractional marketing department engagements are on the rise, driving content and technique development through marketing departments, leaders and teams.

OTHER TRENDS AND PREDICTIONS IN MOTION

Brand Strategy – Major steps to overhaul a brand's alignment with its desired consumer experience through changes of verbal and visual expressions are under way. While some efforts are cosmetic, leading brands are incorporating longer views in their brand strategies.

Brand Strategy Goals – Still a murky concept to some businesses, marketers' success will relentlessly focus on the five major goals of brand strategy of 1) build awareness, 2) create an emotional connection, 3) differentiate the offer and value proposition, 4) establish credibility and trust, and 5) motivate purchasing.

Brand Refresh – As strategies and budgets develop, the need for speed to market requires that successful brands establish "refresh steps" to modernize any dated messaging and visual communications today and prioritize and calendar additional modernization in the near future.

Brand Audits – Combining brand audits with brand research at the same time helps identify any gaps between a brand's value proposition and the competitive landscape, and accelerates any needed repositioning to ensure that the desired consumer experience is enjoyed by target personas. This comprehensive and global brand review supports confident, informed decisions on target markets, pricing, positioning, distribution, partnerships and so on.

Account Based Marketing – It's just more contacts in one company, so more of everything. Marketers' results improve relative to the number of channels they add to their campaigns. We might be at an inflection point and marketers will look for ways to improve their mix through improved targeting and measurable and reportable results of their spend.

Personalization – Continues to expand – we don't see any cap on this trend. As fashion changes, so do trends and so do personalization opportunities, and this isn't restricted to just using a first name in a communication, it targets demographic, geographic and psychographic elements of an addressable audience and personas.

OTHER TRENDS AND PREDICTIONS IN MOTION

Podcasts and VLOGcasts – The increasing importance of voice and in-car advertising make podcasts natural for commuters, travelers and so on. With the advent of autonomous vehicles, podcasts will likely expand as marketing tools. At the same time, video-casts have become increasingly popular as evergreen marketing assets used across all video sharing channels with growth in viewing VLOGcast content across devices including smart TVs, mobile, tablets and desktop devices.

Influencers – Getting a review from a trusted or admired source is still more powerful than a business’s advertising on its own. Brands need to engage their employees to use, understand and become voices in their own networks and communities for their brand/product/service.

Sharability – Content marketing is still king, content marketing distribution is queen, the “share” factor is the kingdom, and interactive and original are the ingredients for major impact. Ad blockers and ad blocking apps may halt a message from a brand in some cases, but we think that if there is cool content that can be shared by others, including influencers, marketers will still get their message to their audience.

Growth of VR and AR – Virtual reality and augmented reality developments promise to create more authentic and personalized content and engagement with consumer goods. AI as a service is still in the early stages but is getting a lot of buzz.

Social – will continue to dominate with sharable content and will change many marketers’ strategies through shoppable posts. As sites like Instagram and others increasingly add tags to brands, social will likely measurably change consumer behavior in a serious way.

Smartphone – It’s all about mobile and increased connectivity. Nothing new here, really, just more of it. And mobile-only homes and even businesses will continue to drive this medium for advertisers.

Localized Advertising – will grow in direct proportion to the availability of data – targeting the right audience with the right message at the right time is critical.

OTHER TRENDS AND PREDICTIONS IN MOTION

Live Broadcasts and Events – Even in an on-demand world, “live” is expected to generate huge revenues, year over year – mainly due to FOMO (Fear Of Missing Out), participant shared experiences, real-time high-energy engagement and in-home technology advancements that make the experience “live.”

Digital Media Subscriptions – By the end of 2018, half of the adults in developed countries had at least two online-only media subscriptions – by the end of 2020, that’s expected to jump to four subscriptions!

In Flight Connectivity – Availability continues to expand and improve with some carriers offering the service over the ocean. It’s still inefficient at different times, but this development offers marketers ever-increasing exposure.

Predictive Analytics (AI) – Tactics to develop leads tied to Account Based Marketing with marketing automation, and customer relationship management have improved data development, reduced nuisance communications and improved marketing results.

Downloadable Useful Tools – Ungated offers will flourish, which will also expand content shareability and is a key component of interactive content development. Given the volume of captured data and produced content, brands will provide prospects with more ungated samples of a brand’s older work, and then mature them forward to gated offers that secure the lead.

Trust, Transparency and Accountability – Much can be suggested in this area, and businesses have come under increased scrutiny over the past several years through wobbly public trust, questionable disclosure practices and sometimes laggard responsiveness to leadership and governance issues.

Real Time Advertising – Especially with the increasing prominence of OTT, RTA will continue to drive results – content changes triggered by a click, or voice, temperature, location, touch, etc.

Modular Marketing – Serializing traditional content marketing campaigns – breaking down content into smaller chunks, pieces that make up a whole, may feed the subscription economy’s appetite.

OTHER TRENDS AND PREDICTIONS IN MOTION

Culture – Continues to be a key agenda item in marketers' presentations i.e., "here's what we're going to do out there, and here's what we offer at the same time for the inside to help you, HR, and your employees, call center staff, sales teams, account managers, and so on."

In Car Ads – Continue to expand. Monitors are getting bigger and dashboards are getting smaller. As car sensors transform to voice communications, so will ad opportunities.

Brick and Mortar Is Alive – Destination. Destination. Destination. Stores and malls are transforming into communities. They'll become a destination with a resort experience feel. Imagine a cruise ship without the water. Budget customers go to a store to pick up merchandise curbside. 90% of U.S. shoppers are likely to grab online orders in the store to save money or time.

Chat Bots – These are still clunky and until a user confirms there's a real agent on the other end, they're ignored.

5G – We thought development and expansion would be faster, like 5G speed actually. Some suggest that 2020 is the year that 5G really takes off. We're hopeful, excited and we'll see.

Programmatic – Some programmatic is obviously programmatic, sometimes embarrassingly so, and sends consumers in the opposite direction. Programmatic will continue to expand along with expansion of AI and improving tech stacks – programmatic is effective with the right audiences and experiences. The challenge is likely that the consumer isn't built on the same tech stack.

Computer Vision – If your computer can "see" what you see, get a sense of satisfaction by looking at something and translate that data into a form that can search for you – without you clicking, or voicing – then you better issue your computer a credit card because it will buy things for you. Imagine the marketing opportunity to connect visual assets with lead generation. Makes you want to close your eyes, doesn't it?

Blockchain – We thought that this would be much bigger than it appears at this time. The applications for marketing are still developing and may have more of a regulatory feel right now, but it's tech and it's still coming.

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NOTE: We review a lot of information on a regular basis. This is a partial list of some of the sources that helped us formulate our thoughts. Others were on little scraps of paper, Post-it notes, and bar coasters. If we left something out, it was unintentional.

About the American Marketing Association, Orange County (AMA OC)

AMA OC strives to be the most relevant force and voice shaping marketing in Orange County. AMA OC keeps our region's marketers informed, inspired, and empowered with the best and next practices, thought leadership, and valued relationships, across the entire discipline of marketing.

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BOLD IS YOUR ROCKET FUEL.

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