

# **FOURTH SOURCE**

Digital Marketing Trends 2012

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# Introduction

2011 has been an interesting year for the digital marketing landscape. We have witnessed many events which caused us to rethink the way we approach some of our marketing.

Google has been very busy this year focusing on better search quality with the “panda” algorithm update causing a lot of noise in the search marketing sphere, forcing brands to re-evaluate some of their SEO strategies. After the not so successful Google Buzz, they have finally introduced a product some already consider a serious rival to Facebook in Google Plus. As Google continue to integrate it deeper into Google Search, marketers will have to start considering how it will fit into their marketing mix.

At first there were claims social media will ‘kill’ email marketing, but this year proved the two compliment each other and marketers will continue to figure out how best to harness the two channels for greater success.

Google has also revamped the YouTube interface, in addition they have rolled out their movie rental service to the UK and placed a greater focus on original video content. It is clear that online video will see a lot more attention and with this we can also expect to see online video advertising increase as more and more video is consumed online.

This year Domino’s Pizza announced that its mobile channels brought in sales of £10 million, a prime case study for the potential of mobile and tablet marketing.

Next year promises to be another exciting year for digital marketing, Fourth Source has aggregated 2012 trend opinions from some of the leading experts and practitioners, which I hope you find useful.



**Sandeep Vadgama,**  
**Founder,**  
**Fourth Source**

# Email Marketing



**Richard Gibson, chair of the [DMA Email Marketing Council](#)**

“Recent research conducted by the DMA and its Email Marketing Council has revealed that its popularity has never been greater. Approval ratings from consumers have surged in the past 12 months, and the volume of web traffic generated by marketing emails has hit an all-time high. During 2012, we can expect to see further growth in consumer popularity and traffic volumes as marketers hone best practice across the board.

Email marketing is a perfect fit for integrating with social media. To date, we’ve seen marketers experimenting in novel ways to combine the two channels. In the next year, marketers will graduate from the test and experimentation phase to a sophisticated level where they fully understand how to play on the strengths of the media.

Quality data and targeting are perennial issues for email marketers. As a sector, we’re continually refining our techniques. The work we’re doing to develop best practice in this area will have a positive effect on improving industry targeting statistics, but companies too will need to make this a priority if they are to secure the trust of consumers.”



**Annette lafrate, UK Managing Director at [Constant Contact](#)**

“Email marketing is going social and this convergence is giving entrepreneurs greater opportunity to grow their businesses in an affordable way. There had been talk about whether social media would kill off email marketing, but if anything it is giving email new life. With this in mind, a key trend next year will be the full integration of social media and email marketing.

The two channels go hand in hand and provide businesses the best results when employed together effectively. Email is the best way for companies to make their message known, but social media gives them the opportunity to spread this message far and wide.

We examined data from our customers that combined social and email and compared them with those only using email. From June 2010 to August 2011 we found that those using both mediums had a much faster list growth, the list size doubled and the average click through rate was 59.3 points higher. That's significant data and real proof that an integrated marketing effort works. The days of spray and pray are over.

In 2012 we expect this trend to continue, as more business take advantage of all the tools that are available to them to engage with and cultivate customers. Email can spark the fire and social can fan the flames.”



**Nick Heys, CEO of [Emailvision](#)**

“Relevancy will be the key trend for email and social marketing in 2012. Creating more compelling and relevant campaigns will be the key challenge and opportunity facing all digital marketers next year. The days of ‘one size fits all’ marketing are coming to a close. The most successful marketers today are those who are using customer analytics technology to gain a deeper understanding of their customer base. Mining this wealth of information, they are creating targeted offers that stand out from the crowd. As email inboxes become more intelligent, sorting messages by the perceived relevance to the user rather than the date and time of delivery, online marketing must evolve to include customer intelligence.”



**John Hayes, EMEA Business Development Executive for iContact**

“The lines between email marketing and social media marketing will continue to blur in 2012 as marketers gain easier access to tools and analytics that give them greater control and visibility into how the two channels co-exist, influence each other and, when combined, drive enhanced ROI. The continuing sluggish economy should also compel more businesses to focus on retaining business through their existing customer database and their extended social networks. We see huge growth coming from the offline business community, particularly in the small and medium-sized sector, with companies hoping to replicate a more scalable and profitable “social buzz” around their brand without losing control and margin to the large daily deal sites such as Groupon. Enhanced, low-cost, email marketing and social media tools will allow even the smallest of firms to become more sophisticated in their email marketing and social media strategies, ensuring greater relevancy in their campaigns and improved ROI.”



**Richard Edwards, Digital Strategy Director at LIDA**

“2012 will be the year email wakes up to mobile.

Mobile was finally taken seriously in 2011. But in the ‘rush to apps’ only the very best executions really worked and delivered great experiences possible across the mobile journey. For smartphone users, apps set an expectation that we shouldn’t have to endure the pain of ‘pinch and zoom’ to perform simple tasks, only to be rewarded with unsupported Flash content or pages taking so long to load we give up.

Mobile brings significant opportunities but also complications to email. And in 2012 the best work here will not just consider design for the small touch screen as important as the large screen mouse driven interaction, it’ll consider the ‘where’ and the ‘when’, data driven content, and the complete user experience – not just click through rates.

So, on one level, nothing will change for email in 2012. The best work will continue to be powered by genuine behavioural understanding of recipients, fused with great creative thinking both in concept and technology – making virtues of limitations and exploiting benefits. Crucially, as should always been the case, the real winners will focus on delivering the best user experience rather than delivering an email.”

**“2012 will be the year email wakes up to mobile.”**



**Philip Storey, Email Marketing Consultant at eCircle**

“As the email industry becomes more sophisticated and digital marketers become savvier, I predict 2012 to be the year that sees an increase in businesses adopting a more personalised and segmented approach to email marketing, with email firmly integrated in their wider CRM and digital strategies. 2012 will see a shift in the mindset of marketers, as the email channel gains wider respect as part of the digital marketing mix, utilised for building relationships with prospects and customers and enable targeting of customers individually with relevant messages.

With the rise in prominence of social media, mobile and location marketing, marketers will continue to embrace a more multi-channel approach, integrating a number of digital channels to keep customers as satisfied as possible.”

# Online Advertising



**Richard Sharp, MD and Head of UK trading at [ValueClick Media](#)**

“Technology moves so quickly that it’s difficult to say what 2012 will hold for us – but there’s certainly one word that’s going to sum it up for me and that’s integration. Innovations within the online advertising industry have been rife for several years; retargeting, lead generation, mobile and video to name but a few. But this is getting incredibly confusing for marketers and there are hundreds of specialist companies offering each individual piece of the pie – but 2012 will be about integrating these together to work more efficiently and more productively. The trend for separate business strands for each element of your marketing strategy is set to fade, companies need to offer the entire online display mix – and learn what works and what doesn’t for each advertiser; but this needs to be productive and campaigns need to be designed. The element that will set apart the wheat from the chaff is relationships – direct communication with publishers who provide exclusive content; mobile publishers, lead generation publishers, display publishers etc. Gone are the days when you can tick a box to say ‘yes, we do mobile advertising’, it will be more about designing a bespoke marketing strategy which includes the elements that work best for your brand and discussing with individual publishers to build successful campaigns. Bespoke, integration, communication and efficiency will be the words every marketer talks about next year.”



**Derek Morgans, Head of Digital, [The Communications Agency](#)**

“Online advertising, TV advertising - it’s hard to define these channels using terms like this anymore. I’ve always been a firm believer that the content we choose to consume is what’s important, not the platform we consume it through. After years of ‘channels’ competing to deliver TVC impressions it looks as if 2012 will finally be the year that video advertising, delivered either via the telephony system, broadcast transmissions, satellite or fibre optics will co-exist and compliment each other. Stats released by the annual “Video State of the Industry Survey” in America highlight that advertisers will spend 47% more YOY on Internet-delivered video content; in many cases the very same content they have been buying against on TV for years.

It also comes as no surprise that budgets to fund this shift are coming from print and online display, rather than from TV budgets, contrary to what many industry figures forecasted might happen. Video advertising has a strong and healthy future - the brands and media agencies that evolve their buying models the fastest will be in the strongest position to take advantage of this. Next year will be the year we embrace content and accept that technology simply provides a way to generate a viewing audience. It’s only taken seven years!”



**Ian Kerrigan, Executive Creative Director, [gyro](#)**

“Technology innovations over the past few years have created online user experiences that are more personalised than ever, and so online advertising must keep up if it is to stay relevant. Gone are the days of pop-ups and blanket adverts as new web technologies create truly interactive and fluid web pages to drive engagement. Ads that visually integrate themselves with the web page they are on have far higher click-through rates than, for example, a banner advert. Online interactive radio station Last.fm is a champion of such advertising, allowing a huge array of brands to integrate themselves with its homepage layout.

But this is just one step on the way to further engagement. Google has shown how web-pages can be turned on their head and manipulated with their recent ‘barrel roll’ easter egg, and so I wouldn’t be surprised if online advertising follows this path. Brands could take over web pages and allow users to engage with it on a level previously unseen, and in such a vast array of ways that it is pointless to even guess. This engagement is what so many adverts fall down on, and so I believe enhanced interactivity is the future of online advertising.”



**Martin Brown, UK Commercial Director, DataXu**

“With the constant evolution of DSPs within the online advertising sector and the fragmentation of the digital media space, the consistency of machine learning technology is key to enabling marketers to improve customer acquisition and also simplify the processes involved. The rapid development of digital media, and the accompanying proliferation of hard-to-implement point solutions, has made it difficult to formulate and act on enterprise-wide decisions driven by the effective use of real-time customer intelligence.

The need to manage vast amounts of data efficiently will see the move towards more integrated campaigns and the need for digital marketing management platforms, such as the DX3 digital marketing management platform pioneered by DataXu. The trend will be to automate and optimise marketing campaigns. As the Forrester report, The Future of Digital Media Buying of September 2011 points out, ‘DMP/analytics platforms and centralised media buying platforms will increasingly merge into a unified stack.’

The market is now entering the accelerated growth phase of the technology adoption curve and it will become easier for all digital marketers to use Big Data to solve their customer intelligence problems.”

**“...as the industry focus moves away from buying traditional ad space, buying audiences will continue to lead the way.”**

**“The trend will be to automate and optimise marketing campaigns.”**



**Martin Forbes, Senior Vice President & MD Europe of Vibrant**

“As brands commit to digital spend from traditional advertising, Marketers need a greater understanding of attribution vs “last click” (a misleading measure of advertising effectiveness), towards brand engagement. Research shows that even with minimal clicks; digital advertising can lift brand awareness increasing purchase intent on and offline. The interaction of online Video and TV advertising will be important to the branding story.

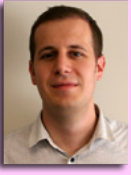
Advertising with social elements has reaped rewards for brands: engaging content and social feeds allow users to interact with other users and share with their friends. Smart brands will facilitate this increasingly in 2012. Media Owners will need to explore and discover how they can play a key part in the social media space, to complement and successfully enhance advertisers’ social media strategy.

An under-exploited area is Image advertising - a powerful contextual way to deliver brand messaging for advertisers whilst helping publishers increase page yields, watch this space!

Other trends include dynamic location-specific mobile advertising, which will start to become more interesting.

Real-time bidding and programmatic auction based buys will capture the real value of a marketing impression, as the industry focus moves away from buying traditional ad space, buying audiences will continue to lead the way.”

# Search Marketing



*Matthew Oxley, Head of Search at [Gravytrain](#)*

“We feel the key SEO trends in 2012 will fringe around social media, especially the themes of shareability and “brand recognition.

We believe engines will attempt to use Social in a different way next year, with social shares (for instance on Google+ as well as Twitter) becoming an increasingly key part of the search algorithm. Google have been trying to recognise the impact of Social for some time, and the integration of these signals into their search algorithm has been very gradual. We expect this to change next year, with Google putting an increasing emphasis on these signals. To combat manipulation, the engines will probably have to use indicators around both the authority and authenticity of social profiles in a similar way to how pagerank is applied to links.

A second related theme that we expect to see is the rise in search engines attempting to measure “Brands” through the social sphere. Similar to the “vince” update in 2009, we’d not be surprised to see an implementation similar to this using social signals to determine brand recognition.

The bottom line is, for any brand that wants to do well in search next year and beyond, they need to get social.”

***“The bottom line is, for any brand that wants to do well in search next year and beyond, they need to get social.”***

*Chris Brake, Director of Next Generation Products for [Yell](#)*



“This year has seen significant change and a number of new developments in search and we expect even more throughout 2012. There are a number of areas which marketers should focus on in the coming months:

## **Mobile Search**

Mobile search usage continues to grow and is an area that requires its own strategy and budget. In order to take advantage of this growth, search engines have developed mobile specific ad formats, results pages and PPC features such as click to call ads.

## **Local Search**

Local search, especially on mobile is on the increase. Search engines have got smarter at identifying searches with local intent and are tailoring their search results accordingly - Google Places is now more integrated into the search results and in many cases requires as much optimisation work as your website.

## **Organic Search**

This year Google introduced its ‘Panda’ update in order to flush out sites with poor quality content. We can expect to see the focus on quality content and links to continue next year with poor quality sites and link farms being penalised.

## **Multichannel/Universal Search**

Search results pages are including an increasing amount of varied content - Maps, location information, site links, product results, click to call, reviews, videos, images, etc. Linking relevant Organic (SEO, Google Places), Paid (AdWords) and Social (Google +) content will become increasingly important in order to improve the quality and relevance of results.”



**Kelvin Newman, Creative Director at [SiteVisibility](#)**

“It’s a tricky business predicting the future, rife with potential banana skins, but I think one big trend to look out for is Google playing hardball. I think they are growing up and rather than just playing nice and they’re starting to throw their weight around to take on Facebook and Apple. We’ve seen indications like the introduction of https to logged-in users which makes it harder for SEO companies to track their performance. It’s a small step that only slightly undermines SEO but gently nudges people to spend their marketing budget on PPC rather than SEO. Combine this with development like the ability to search for hotels’ availability within search results, their credit card comparison service, etc. and you can see they’re getting more aggressive.

I’m also expecting an increase in the sophistication of Facebook marketing. Too much attention seems to be on ‘collecting likes’ as the most important measure of success, anyone with an understanding of Facebook’s Edgerank Algorithm you’ll get a lot more attention and action from a small number of very engaged fans than a much bigger group with weaker ties. We always knew this but the ease of measuring ‘likes’ distracted us.”



**Duncan Parry, Co-Founder and Head of Paid Search at [Steak Digital](#)**

“Integrating search and social will become a core, crucial activity as social data is increasingly used in natural search algorithms. Marketers need to ensure their social and search strategies complement; generating mentions and followers/ Likes, as well as inbound links. Sharing buttons need to be built into sites, emails, apps and factored into offline campaigns as standard – not as an afterthought.

Mobiles and tablets will continue to grow; whilst some marketers still try to figure out what mobile and tablet presence they need, those at the cutting edge will define how to quantify the footfall search, including mobile and local, drives from web to store – and vice versa.

Once quantified, efforts that drive footfall will become a focus for optimisation and dedicated funding; expect offline store promotion budgets to start contributing to this. We’re already seeing this in the US.

Content strategy will also move centre stage – fresh, unique, engaging content can assist search campaigns, social activity, conversion rates, PR and customer loyalty – and Google recently adjusted their algorithm in this direction. If search, social, display and design are the building blocks of a successful digital presence then content, more than ever, will be the glue between them in 2012.”



**Tina Judic, Managing Director at [Found](#)**

“2012 is going to be another fascinating year in the world of digital; from search to social we’re going to experience evolution at a fast pace. The established channel of search will still experience some twists and turns, with social starting to have a greater impact on search results from influence through to customer targeting segmentation.

With the array of tools and extensions available to us through the search engines, I fully expect to see click through rates continue to rise, thanks to the volume and richness of data we’re now able to capture. However, this will no doubt lead to an increase in CPC’s, especially CPC’s with ‘local intent’. Good quality content will continue to reign supreme; through social platforms, everyone can now play the role of the journalist. 2012 will see companies start to leverage this role more strategically.

As Google accounts and +1 grows, Adwords will allow advertisers to target search to exact demographic & behavioural data, utilising the great aspects of social as a driver within search results. In turn, social media content from +1, Facebook Likes and Tweets will further impact indexed search results.

Companies are starting to crack the social formula - we’ll see companies more accurately gauging social media user activity alongside more clever collaborations between companies utilising the increasing open data sets and API’s to facilitate greater action amidst the social noise, such as hyperlocal services.”

# Social Media



*Lau Moyano, Senior Digital Strategic Planner at **Publicis Modem***

“Beyond the broad trends like the increasing importance of social search as part of the networks’ growing overlay across internet, real time results, ubiquitous rating mechanics, and social itself becoming mostly mobile... there are few other interesting areas worth focusing on.

For people, the big social networks may become “too big” and “too open”. As a consequence, restricted areas such as Google+’s “circles” and Facebook’s “groups” will continue to gain traction, get perfected and translated into “social status”, which will also become critical for getting a job... Beyond LinkedIn and the like, we’re moving into an advanced version of social recommendations that will become a must for even getting into the interview room. New angles like “socialcheck.me” clearly reflect this. Terms like “social metadata” will progressively become common language.

Companies on the other hand will continue getting wiser, more transparent (and less “gimmicky”) in the way they attract and interact with users through social. They will fully integrate social into their customer services, eCRM programs and innovative ways of reaching users. The “pilot” phase will definitely be over and attention will continue to turn towards measuring ROI (worth keeping an eye on the evolution of “Data ownership Vs. Privacy” discussion). The most advanced companies will integrate their internal network into the big consumer networks by creating a “membrane” that allows people to connect directly to the relevant departments. Open innovation and collaboration will have even bigger impact. And governance and brand guardianship will also need to evolve to match the needs created by social.”

*Rebecca Quinn, Director EU Strategy and Operations, **Wildfire***



**“European online ad spend is expected to grow at a healthy rate of 40% to reach €17.7 billion.”**

“Social media is becoming an irreplaceable tool for companies large and small to reach out to their fan base, engage and convert them to customers. The forecasted online marketing stats show that it can’t be ignored. In 2012, European online ad spend is expected to grow at a healthy rate of 40% to reach €17.7 billion. Social is playing a key role in that growth. Non-US Facebook ad revenues are expected to grow from \$1.86 billion in 2011 to \$2.87 billion in 2012. It is clear that more and more companies realise the power of online engagement, and recognise it as a cost-effective alternative to more traditional methods. This transition has massive implications for the type of conversation brands are having with their fans.

Companies are clearly planning to engage their fan base, and it will become increasingly essential that they are able to scale those efforts. With a new LinkedIn partnership and the trial use of Facebook Insights, Wildfire’s Social Suite is enabling marketers to be even more creative, and efficient, in launching their online campaigns across multiple social platforms. And we are providing the analytic tools required to prove the return on investment of the effort.”





**Rachel Clarke, Head of Engagement Intelligence - Social Media/Digital Strategy, Momentum London**

“2012 will be the year of more, with activities from previous years continuing, both the numbers that get involved and the sophistication surrounding them. First up is the continued rise of mobile at the heart of social media. There are over 350 million people accessing mobile Facebook, that’s going to grow. Phones will use social as the lens for all mobile activity, the default setting for how you interact.

Tools that help you curate, collate and discover information across platforms will be increasingly important. The growth in information is not slowing, the difficulty is finding the good stuff, from your friends and from other sources. You’re seeing platforms providing algorithms to bring you what they think is important, but users want to maintain their control, to define what they need.

Privacy will continue to be a battleground. Social companies walk a fine line between selling their product – which is the user – to their revenue sources (i.e. advertisers) and providing the environment for the user to maintain perceived control and privacy, a place they feel comfortable with sharing their lives.

One final prediction for growth is the increasing use of social tools for customer service; becoming as important as call centres as a way to connect with customers.”

**Giles Lockett, Senior Digital Strategist, balloon dog**



“2012 will go down as the year the Social Media wars broke out. Facebook will seek to protect their 1 billion fans from the lure of Google+ by adding in even greater usability and mobile functionality. Google will use its riches, its insight and its increasingly plausible 'web on a page' platform to bolster its 40m consumer membership while creating a credible business presence with its soon to be realised brand pages. Twitter will find itself squeezed from both sides, will fight hard for ad space and increasingly look like a share engine. Google+ 'Circles' and 'Sparks' buttons (many of them sponsored) will start to appear on searches and businesses large and small, B2C and B2B will find the lure of social increasingly hard to resist. S-commerce will remain a marketer's dream but Social Media will largely continue to form part of the commerce journey rather than its destination. And all things will be done with one thing in mind: mobile.”



**Marian Salzman, CEO of Euro RSCG Worldwide PR, North America,**

“Social Consumer

Increasingly, “experts” are social-network friends, and they influence what we buy through reviews and product recommendations. Marketers are eager to target these “high sharers” and their sway. Facebook has big pull when it comes to baby brands, YouTube is handy for music marketers and review sites pack a punch for electronics. Look for social media’s culture of influence to keep shaping the way we buy.

Social Goes Hyperlocal

There’s a mushrooming of social networks as they go micro, connecting us to communities in our own backyards. E.g., to join San Francisco startup Nextdoor you must live in the hood and use your real name. Plus, office watercooler conversations are rampant online through private, cloud-based social networking services such as Yammer, Chatter, Huddle and Jive (all taking cues from Facebook).”

# Mobile Marketing



**Grant Sidwell, Mobile Account Director, *Experian CheetahMail***

“2012 is likely to be a year of consolidation rather than innovation in the mobile industry. That is not to say mobile marketers won't keep innovating and we expect to see early plays in technology like Near-Field Communication (NFC). However, now the hype of the iPhone 4S has settled down the focus will be on establishing standards and best practices. There is now a relatively stable environment in terms of devices and platforms, upon which mobile marketers can get down to the hard graft of making campaigns that work.

In 2012, mobile advertising will address robust impression tracking, mobile email will establish correct rendering best practices, mobile marketing will finally figure out whether QR codes are worthwhile and mobile developers will shift to developing cross platform applications.

Finally, mobile networks are likely to throttle consumer mobile data over their networks. A short term solution to their ageing infrastructure, it will cause a definitive shift in user behaviour to become less reliant on the networks and instead move towards wi-fi wherever possible. In doing so, consumers are likely to increase their use of services which leverage wi-fi data transfer (VOIP and instant messaging platforms eg. WhatsApp, BBM, etc), threatening the mobile network core services (Voice and SMS).”



**John Barratt, Product Lead at *Zergo***

“**Apps and m-Sites go to war.** 2012 will see Google and Apple go up against each other in the battle of the app vs the m-Site. Google will favour m-Sites as they dominate search, while Apple will back the billion dollar app industry. The truth for businesses is that neither is better – it's all about the timing. Users look to apps for smooth navigation, interaction and user experience, whereas m-Sites are used for their immediacy. The best strategy is to go down both routes to capture as many consumers as possible.

**The future of m-Commerce.** Businesses will realise that a mobile commerce strategy needs to be smarter than simply taking order via a mobile device. Smartphone owners are now relying on their devices to help them shop, even when in store to read reviews, compare prices at other retailers, watch demo videos, search for discounts and coupons. Use your mobile marketing strategy to reach out to these consumers and allow them to redeem vouchers via their phone. You'll be surprised to see how many new customers you attract and existing customers you redeem.”



**Pedro Martins, Director, *Total Media***

“2012 truly will be the year of the mobile, with the collaboration of data being one of its defining trends. Just like our PCs, mobile phones store huge amounts of data about us - from what we search, browse and buy online, to where we currently are.

The opportunity for web browsers/search engines to partner with the big networks to cross reference data and provide targeted integrated online/offline advertising campaigns is an exciting opportunity for advertisers.

The main concerns around this will still relate to issues of privacy. However, our research suggests that consumers will be more tolerant than originally thought to geo-targeted mobile advertising – especially if it includes offers and discounts - in this pressurised economy.

If I had been looking at a pair of trainers on my mobile web browser while on the train to work, would I be that upset to get a text from O2 at lunchtime, offering me a 10% discount as I walked past my local Footlocker store? I may feel somewhat uneasy about it, but the prospect of a 10% discount on my favourite trainers is more likely to outweigh my initial anxiety!”



**David Fieldhouse, co-founder and Strategy Director of [Linking Mobile](#)**

"The move from e:commerce to m:commerce will be the key trend in 2012. Pioneers include Domino's, £10m in sales via its app and mobile site since launch; M&S delivered over £1m in sales via its mobile site and during Christmas 2010 (a full two years ago); Tesco announced 1 in 10 of all sales came via a mobile device.

Clients that reinvest returns from mobile retail in mobile, display and search will double the size of the mobile advertising market. Smart companies go further, integrating their technology into high-street retailers chip and pin machines. Subway and Tesco now can scan barcodes on mobiles, making mobile vouchers easy for consumers to download and redeem in store; and marketing even more accountable for brands. Social media will play a large role, consumers can easily share vouchers and discounts – redeemed via their devices.

Marketers finally have an engagement, distribution and redemption device they can work with.

That Orange and Barclaycard are launching mobile payments (mobile as a cash card) means large global organisations are combining to make m:commerce and mobile payments a reality. It is the combined marketing and infrastructure muscle these companies bring that will drive consumer change and deliver revenue for brands in 2012. Brands are optimising their retail experience for mobile now and throughout next year (41% according to IAB research). In turn they need to advertise via mobile which creates a virtuous circle. It is this development that will as Apple says, "Change Everything".

## ***"Domino's, £10m in sales via its app and mobile site since launch"***

**Geoff Parker, Client Services Director, [Click Consult](#)**



"The percentage of website visitors through mobile searches on search engines has increased from 2.5% in Q1 2010 to 8% in Q1 2011, at the end of 2011 this is consistently over 10% and some sites are as high as 15% which is a staggering statistic.

For next year we estimate the search traffic will reach an average of 15% minimum, with some sites reaching 20%. Blackberry, I predict, will struggle. Android and iPhone have taken a hold on the market, and Blackberry are not keeping pace. Blackberry's strengths are primarily business users, followed by young people using the Blackberry Messenger. With the issues that they have experienced recently these markets may well be affected, particularly the business client base.

2012 will be the battle of iPhone against Android for supremacy. 85% of phones sold this year are smart, this will increase next year.

I predict high investments into website optimisation for mobile devices to make them better formatted for visitors from mobile devices, and believe that we will see a particularly high investment in this for corporate and bigger companies.

There will also be more development into local based advertising through search engines on mobile devices. Currently 20% of Google searches have local intent, and I believe that many companies will start to harness this more next year.

The Tablet market is sure to increase and as a result of this we will see some cannibalisation of the desktop market as people move over to tablets from desktops. A recent study showed that 77% of tablet users are using them in replacement of a desktop and this is sure to grow during the next twelve months."



**Dino Burbidge, Creative Innovation Director, [Nosie Inc](#)**

“In 2012, key trends I see emerging in online video include making the medium more accessible on mobile, increasing use of HTML5 video format and 360 degree format. Also, people will figure out that if they have great video content, they can make money from it. Key to 2012 will be monetizing content, something that a company called Base 79 has figured out, as if you give them your video, they monetize it by running ads across your content.

Watch 2012 for more group buying options, such as putting a percentage of purchases toward charity. Also look out for more use of NFC chips in our phones, that provide details that allow you to make purchases.

For mobile and tablets, keep an eye on Blackberry, because they will launch their QNX, a new platform for all phones that will make or break them. Also, all eyes will be on the iPhone5.

Next year really look at how email marketing may shift more to social media of Twitter and Facebook and location based services like foursquare. Why communicate through email when you can improve the 1 to 1 nature of the medium with social media options?”



**Alex Woodford, Head of Connect (digital), [aka](#)**

“Mobile as marketing medium: We will see further uptake of mobile as a marketing medium next year with ad spends increasing 120% on 2011 levels. The Olympics will help act as a catalyst for the mass adoption location based mobile marketing and arrival of m-sites. According to a YouGov survey, 54% of smartphone users would shop using their mobiles, but 76% of High Street retailers still do not have a mobile site or mobile optimised content. Of those that do, almost 20% do not have m-commerce capabilities and a quarter are only optimised for iPhone users.

Mobile/Tablet Operating Systems: 14% of the UK has a tablet, a sizable chunk being iPad. Project Spartan, Facebook’s HTML5 based mobile application platform is going to be all the rage in 2012 creating a more brand friendly experience on these mobile devices. Android remains the largest smartphone operating system to date, with Microsoft set to be the fastest grower next year. IOS will grow at a slower rate unless prompted by the arrival of the iPhone 5. The iPad 3 will reconfirm Apple’s top place as leaders in high end tablets, whilst Amazon is set to own the lower value tablet market with the new Kindle Fire. We are also going to see the adoption of Google + in Android handsets, followed by uptake of mobile video through it.”



**Carl Uminski, COO of [Somo](#)**

“In 2012 there’ll be more people with smartphones than without, the penetration of tablet devices is predicted to soar, and a ‘paperless’ Olympics will bring near field communication and contactless payment into the mainstream. Next year we’ll also see the quality of apps get better and better. There are half a million apps in the App Store now – competition is fierce and building apps for the sake of it just won’t cut it. They must genuinely meet the demands of mobile users looking to play, shop, or just manage their lives more easily. And it’s not just about apps; marketing brands effectively across multiple devices will be a key challenge for 2012.”

# Online Video



*Phil Cooper, European MD, **BrightRoll***

“Consumers are leading the charge on digital schedules, from their inexorable sign up to iPhone, iPad and Android equivalent handsets and tablets, to their increasing online and social activity. As consumers drive brands to engage with them on a multi-platform basis, mobile and online video will emerge as a key element of digital marketing, extending “touch-points” further and enabling advertisers to reach consumers on the go.

Marketers need to respond to and engage with their audience in this space. September comScore stats showed UK users spend more time online than any other Europeans, and our survey of 100 UK advertisers showed nearly 40% of respondents anticipate online video will see the largest increase in digital media spend next year.

This year, we saw significant growth of interactive pre-roll by automotive advertisers. We expect other sectors to increase adoption of interactive pre-roll in 2012 as they look to generate engagement from their budgets.

For 2012, the shift already in motion is towards buying based on “audience” rather than context. The TV and traditional VOD arena continues to evolve as consumers plan their own media consumption timing to fit their own lifestyles with catch up TV, rather than adhering to broadcast schedules.”

***“...our survey of 100 UK advertisers showed nearly 40% of respondents anticipate online video will see the largest increase in digital media spend next year.”***

*Marc Heal, Business Development Director, **Duke & Earl***



“The only trends which appear absolutely certain for online video in 2012 are that more people will continue to watch it and that the boundaries between the internet and the television will become ever more blurred. Increasingly, TV viewers are going online - to preview, watch or find out more about their favourite programmes. Broadcasters and increasingly, brands, will therefore look for new ways to effectively engage this “digital TV” audience.

There are three more subtle changes emerging based on our experiences this year. In 2012 and beyond, online video will become more:

1. Interactive

Users will reward more interactive features within video platforms. The functionality of user-generated actions from within video will become more powerful and elegant.

2. Viewer driven

Linear video is limited. Our experiences with branched video stems suggests that users will reward experiences that offer viewer choice, allow them to shape their own viewing experiences and to personalize the content pathway.

3. UI driven

Online video is still in its infancy. Standardised protocols and UIs’ and are still up for grabs. Interactive video will gradually produce more intuitive and elegant user interfaces. But for the moment media owners will go for overkill - advertising positions within and around videos will remain generally over-populated.”



**James Devon, Director of Planning , MBA**

“Online video will proliferate massively in coming years, with Cisco predicting that video will account for 90% of internet traffic in three years. The already blurry division between online video & TV will get even less distinct as more and more TVs become connected to the internet (especially with rumours of an Apple TV bubbling wildly). This means more watching of online video on the big screen in the living room which means greater opportunity for marketing surrounding this behaviour – both in the stream itself and also via the brands that provide such services like MBA’s client, LOVEFiLM.

This growth in this area will provide masses of accurate information about individual viewing behaviours enabling data-savvy brands to steal a march on the competition. This is true both from the perspective of the service providers ability to improve their delivery and advertisers ability to target appropriately.

Social curation of relevant content will also play a bigger role as people increasingly share their viewing behaviour via the likes of ‘second screen apps’ such as GetGlue. Social graph data can be used to inform personal choice, which online video content providers can harness in order to improve their offering.”



**Gavin Sinden, Digital Strategy Director of Equi=Media**

“In 2012 online Video will become increasingly prevalent as more devices get greater bandwidth and people consume this heavier media on higher performance devices. Also, many more platforms are now offering cheaper ways to serve video content in display media, so the creative costs of producing it are falling.

There are already sure signs of what next year’s key trends in the field of online video will be, as they are already starting to happen. There will definitely be a marked growth in the use of online video within ‘social branding’ campaigns on online communities such as YouTube, Facebook and Google+. ‘Earned media is already an increasingly important part of the media mix, and this development will only force the pace.

The cost of creating and adserving video ads will also continue to fall and as brand budgets move increasingly online these will become a major part of the media mix, further transitioning digital media from its main direct response routes to a broader brand engagement role.”



**Tim Cross, Display Advertising Manager, Guava**

“I expect video to be at the core of much of the activity online in 2012. When people talk about Online Video most people immediately think of YouTube, and rightly so - expect more long form content and continued integration across other platforms such as Google+.

Additionally I see video really taking hold as a communications tool with Facetime on Iphones, I pads and equivalents becoming more and more popular.

Cisco predict that 80% of all Internet traffic will be video by 2015 with the main opportunities for business’s being videos to promote products and services. Creating video brochures, video newsletters and using regular video on existing website pages to help customers better understand what it is you do or sell will pay dividends.

Search engine results pages have become more universal with video contenting appearing more often than not and this presents an opportunity to stand out from the crowd using a combination of traditional SEO techniques on pages with rich video content.

Products such as Google TV and Smart TVs with Internet connections will help to move the traditional TV viewer online where they will find more content choice and a more interactive and engaging experience.”

# Ecommerce



**Michael Ross, Director, [eCommera](#)**

“Online retail has transformed the way customers shop and the way retailers operate. With online sales to grow by 18 per cent in 2011, mobile sales pushing 7 per cent and ‘click and collect’ sales reaching 8 per cent, the shift is undeniable and will continue into 2012.

It is imperative for retailers to understand and respond to the critical drivers of change. Already we can see those that have reacted quickly and strategically to embrace the new retailing paradigm, and the catastrophic demise of those who haven’t.

Technology has given birth to online giants. They have grown up quietly over the past fifteen years while the rest of the retail world was still focussed on the store – but they now represent a threat to every single retailer.

Amazon, foremost among the giants, is the competitor. Retailers either compete with Amazon today or will in the future. The trick to stepping out of the shadow of the giant is to formulate a proposition that is not about price and to add value at every step in order to create an exceptional multichannel experience.

So while life might be more complicated for retailers, for consumers - who are holding all the power – life looks pretty good for 2012.”



**Dean Browell, Executive Vice President of [Feedback](#)**

“Ecommerce has had one of the biggest shifts in recent years with the integration of social elements such as reviews and recommendations and 2012 will build on that. Consider that nearly every consumer, buying nearly any product or service, can expect to find some sort of rating or review system prior to his or her purchase. These rating systems are built into all major online retailing systems but in 2012 we will see them come to even the smallest of ecommerce software and etailers. While on its face ratings and reviews may mean some products and services are derided, smart ecommerce players will use the tremendous data for inventory and bulk purchasing decisions as well as custom recommendations in ways that only the largest online shops had realized before now. On a larger scale, the socialization of search will come to ecommerce with consumers finding results prioritized by the brands and products their friends “Like” or endorse elsewhere.”



**Russ Carroll, UK Managing Director, [Shopping.com](#)**

“Two key digital trends for ecommerce in 2012 will be the rise in mobile and targeted, personalised marketing. This year has seen a definite synergy between online and offline activity due to the proliferation of smartphones and tablets in everyday life. With one in ten retail searches now made on mobile devices, retailers will work to offer the best online and offline option to shoppers at any given time. This includes such initiatives as location based digital vouchers that are redeemable in store, the option to reserve and collect, and in store kiosks that allow shoppers to order out of stock items online. On top of this retailers will become increasingly targeted in the way they communicate with consumers. This area has already grown by a huge amount in 2011 and will become even more sophisticated in 2012. Ecommerce marketers will need to personalise outreach so that shoppers receive product information and offers that are relevant and timely to them.”



**Jocelyn Kirby, Head of Marketing at Metakinetic**

Ecommerce is experiencing an exciting time right now with numerous innovations and technological advancements, but what is going to be really hot in 2012?

There's talk that this could be the M-commerce Christmas we have been waiting for. I'm not convinced. However, I do think 2012 could be the year that M-commerce really takes off. It's easier for more retailers to go mobile, with mobile ecommerce technology more affordable and readily available AND consumers showing an increasing propensity to rely upon their mobiles to support all aspects of their everyday lives. Coupled with this, the integration of QR codes with the shopping experience could see a new type of spontaneous shopper, which could also lead to a reinvention of the outdoor media industry – bringing clear measurability not commonly associated with this type of media.

In contrast, I think we will also see an increase in 'shopping from the sofa', and not the laptop type we have grown accustomed to. We are experiencing a growing convergence of internet and app technologies with home entertainment equipment such as televisions and media players. As the adoption of this new breed of media spirals, we will see more consumers turning to their televisions as an easy option for shopping online, bringing with it yet more opportunities for online retailers to reach out to their target audience.



**Rob Mathieson, MD at digital agency AYO Media**



I believe the main key trend for ecommerce in 2012 will be the implementation of advanced payment methods into hardware. This includes paying for physical products using technologies such as NFC (Near Field Communications), but also making secure payments directly from a device to an ecommerce platform. Platforms such as Paypass, by Mastercard, will help drive through this process, which is already accepted by a lot of high street retailers. Allowing faster payment for products bought online will also improve this. Google is offering its Wallet service in conjunction with Mastercard, which offers huge opportunities when integrated with the current payment platform.

Another key trend will be the growth of video within ecommerce sites. Large firms such as ASOS have been offering this service for a while, allowing consumers to see the product first, but there are now a large number of smaller retailers who are looking to use this technology within their sites. There has been growth in the number of businesses who specifically offer video services for this purpose.

# General



**Laura Scott, Digital Strategist at [Addiction London](#)**

## “Adaptation of Social Gestures by brands

We used to have to hit ‘like’ button to share on Facebook, but now we are seeing less need for social sharing buttons. The latest update to Facebook has made it possible for any action across the web to be shared on your profile, including reading, watching, and listening. I predict that you will see more brands making these canvas apps for Facebook that will allow them to personalise content based on interests, and become a part of the user’s journey across the web. However, I predict that this will also raise a lot of privacy issues.

## Apps

Apps have been available for a while though but from a branding perspective I believe this is an area that has more potential for growth in the coming year. Apps offer brands a new customer acquisition channel / new distribution channel, as well as a new revenue stream. We have already seen some great collaborations and apps from the film industry including AngryBirds Rio, Fast and Furious, and Super 8. I would even go as far as to say apps have the potential to be bigger, growth wise, than social in 2012.

## Location and NFC

I think this has huge potential in terms of push media. As in the past few years content is key, but imagine if you can start pushing useful/relevant info to people based on location. For example you check into LHR arrivals and it sends you a tourism guide etc.

## Second Screen

Integrating with TV, in other words interacting with a device while watching TV is going to become more common. It’s all about multi-tasking and about providing content that makes the viewing experience more interactive/exciting.”



**Sarah Platt, UK Director, [Kinura Web Video](#)**

“I think 2012 is going to be all about people getting even smarter and more dynamic with their online activity. We are realising that every person in our organisation is now part of the marketing team. We all have an avatar and a profile we are all creating a presence. Inbound marketing is so reliant on content that people can’t really have a marketing strategy with any impact without thinking about producing images, webinars, podcasts and managing their presence on video and social platforms. Of course devices play an increasingly important role in our lives, and we want to have access to information everywhere, cross-platform. To an extent this is already happening. What people will now be looking at is how they effectively resource the demand for content and how they become a media organisation or a live broadcaster-whatever market they are in. It’s all about making authentic, decent content regularly and getting it out there.”



**John Cheney, CEO at [Workbooks.com](#)**

“The introduction of Google’s new search algorithm ‘Panda’ this year means that 2012 will be even more challenging for SEO agencies. Panda is design to improve the quality of content delivered to users and to mitigate the impact of low quality content, websites and links on Google search results.

Displaying relevant, engaging content is no doubt the future of the digital world. But Google Panda punishes those who try to deceive Google Search, by manipulating links and content. Those that do face the risk of falling behind competitors in Google search rankings. As a consequence, 2012 will be a big year for digital and SEO agencies, as they will need to justify their worth by using more sophisticated analytics to measure and prove results. No longer will companies be able to measure the effectiveness of their SEO campaigns by using search rankings alone. With customers looking to do more with less, SEO agencies need to be smarter and demonstrate the real return on investment from their SEO efforts. And the only way of doing so is by tracking and intelligently analysing campaign outcomes from launch right through to offline sales, and all the way to the bank.”



**Mo Elnadi, Head of Digital & Social Media Strategy, [The Reptile Group](#)**

“Social Search - Integrating SEO and Social Media for effective campaigns In today’s world, marketers and agencies alike are playing catch-up with the continuously evolving online behaviours of their online consumers and understanding latest technologies that enable them to be reached and conversed with. This situation will continue into 2012, but we will see a maturing in digital marketing that will involve SEO-enabled content and search moving to the core of all social media activity.

The reason is that using an integrated Social Media/SEO strategy campaigns could be much more effective than current SEO-only approaches, given the fact that more than 90% of online consumers start their shopping journeys online on a search engine. That being so, we all need to work closely with our clients to build and customise their search and social media strategies from the ground up and taking into account the realities that exist country-by-country. In the UK, for instance, Google has a dominant 88 per cent market share in search engines, compared to 65 per cent in USA and this ‘search-first’ trend will continue in the near future on all digital channels -not only on search engines, but also on social media.

This means in 2012 to drive solid results, and attract the desired quality traffic of leads, marketers need to focus on continuously creating top quality search-optimised content. Not only for the brand’s .com site, but also across its social media channels, to help strengthen its online communication strategy, and at the same time, align its online presence with other online/offline activities to ensure consistency of the brand message while gaining high rankings on Google to drive business results.

We are, however, already seeing a variety of beta-stage products and services that could leverage social media activity away from the visited site by customising search results and advertisements based on ones’ previous social recommendations, circle of friends, his/her own social engagement and Facebook interests.

So, without a robust overall digital strategy that integrates social media content with search, there is a considerable danger that well-intentioned SEO activity alone will be ineffective.”



**Andrew Girdwood, Media Innovation Director, [bigmouthmedia](#)**

“In 2012 will see a pivot from the discount culture of 2011 and towards loyalty.

2011 was big for discounts. Companies like Groupon and LivingSocial made waves and mobile voucher apps become wide spread. The mistake was to train customers to expect discounts and not to shop until one becomes available. As a result 2012 will see a rise in strategies designed to encourage brand loyalty.

We will see this in the affiliate and performance space as significant cashback and voucher players evolve their offerings towards loyalty platforms. Google has their QR code based, Punchd platform, loyalty system ready.

In search marketing we will see brands look more closely at margin in their strategies and place a greater emphasis on lifetime value of customers in their analytics. There will be a strong demand for agencies with strong pedigrees in both SEO and PPC. Clickthrough optimisation will grow in importance for both styles of search too.

The world of Display will be very exciting as ad exchanges and demand side platforms continue the revolution. The art of timing when a banner is displayed will become more important and companies will experiment with appropriate behavioural and retargeting solutions.”

# **FOURTH SOURCE**

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