

2020 MARKETING AND ADVERTISING TRENDS

# Key Considerations For B2B Marketers



**How should B2B brands approach the biggest trends in the marketing and advertising industries?** In this guide, we'll walk you through some of the biggest buzzwords of 2019 and 2020, why they matter, and how you should look at them through a B2B lens.

You'll understand why first-party data is your most valuable asset, why tech innovation should guide your staffing plans, and how, as a B2B marketer, you can ready yourself for an ever-changing and complex landscape – all while giving yourself a leg up on the competition.



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The background features a serene night scene with a starry sky above a dark forest silhouette and a body of water reflecting the light. Overlaid on this is a large white smiley face graphic. The smiley face is composed of two curved lines for the eyes and a larger curved line for the mouth. The text 'Identity Marketing' is centered within the upper portion of the smiley face's eyes.

# Identity Marketing

# People-Based Marketing

## What is it?

People-based marketing refers to targeting known individuals, rather than proxies for consumers (such as cookies, device IDs, or panels).

**US marketers will invest nearly \$900M in services and solutions this year **focused exclusively on identity**, with this expected to grow to **\$2.6B by 2022**.\***

\*eMarketer, "Q2 2019 Digital Video Trends," June 2019

## Why You Should Care

Connecting with an actual, qualified customer is arguably more important in B2B marketing than in B2C. B2B audiences are small and their journeys are long and complex, demanding flexibility on the part of marketers.

Identifying not just a job title but also the demographic makeup, device usage, media consumption habits, and shopping behavior of a B2B customer has become increasingly important as consumers' professional and personal lives blur.



## People-Based Marketing FAQs

### **Q: What's happening with cookies?**

A: Cookies are slowly becoming a thing of the past. Browsers Safari, Firefox, and Brave have all banned cookies, making it much harder for advertisers to use them as a means to connect with an audience.

### **Q: How does people-based marketing reconcile with privacy laws and concerns?**

A: Identity information is provided by the consumer to a brand, either by opting in to communications and ads or by creating a profile on a publisher page.

## Important Considerations

Think about the application of people-based marketing before evaluating your partner strategy. Is it to grow your audience? Enhance customer experience? Optimize media? Better understand how to tailor your products and services? A great partner can help facilitate all of the above and more.

When employing people-based marketing, a goal should be to reconcile your first-party data with third-party data that gives a window into your customers' lives outside of their professional environments. Companies like Merkle can help you do so.

Social platforms, perhaps the owners of the most prolific and monetizable identity data, are understandably very protective of it.



# Customer Experience

## What is it?

eMarketer defines customer experience (or CX) as “all the touchpoints a consumer has with a brand.”

Effective CX is made possible by the explosion of consumer data and tools used to parse and activate this data.

**A 2019 B2B International study found that 54% of European and North American marketers saw “delivering customer experience” as a top challenge.**

\*“B2B Marketing & Insight Survey 2019 Findings,” B2B International, 2019

## Why You Should Care

It’s no longer enough to personalize a message based on where your customer is in the life cycle. B2B customers have come to expect brands to speak to their pain points, message them with relevant information and worthwhile offers, and build loyalty post-sale. This experience needs to occur across all online and offline media, but not be too intrusive so as to come off as “creepy.”

Leveraging data, whether it’s first-, second-, or third-party, is the first step in activating against customer preferences, behavior, professional status, and position in the sales funnel, among other factors that comprise an addressable identity.



## Customer Experience FAQs

**Q: Mobilizing my brand to execute a great CX strategy seems like an uphill battle. Where do I start?**

A: Start with mapping your customer's journey. This requires data collection, reconciliation, hygiene, and insights. You can always start with your first-party data; in many cases, first-party data is the most important asset a B2B marketer owns.

**Q: How do I activate?**

A: From there, it is imperative to align your internal teams (extending beyond just marketing to address overarching business goals) to identify the actions you'd like customers to take as a result of their experience.

Optimizing CX for your brand's website and email communication is a good place to start; you can layer on other addressable channels as you build out internal and external resources.

## Important Considerations

- Providing great CX is no small task. Consider investing in personnel, such as data scientists, who can glean insights from massive amounts of data and cohere them into addressable identities.
- Privacy laws, such as GDPR in Europe and the CCPA in California, pose hurdles to data collection without explicit consumer consent. Another reason to get a clear handle on your first-party data for CX practices.
- Technology such as **AI** and **CDPs** help enable CX. AI can help marketers scale touchpoint personalization and CDPs aggregate and parse multiple data streams, allowing marketers to focus on the message they'd like to convey to customers.





# Privacy

## What is it?

Federal regulations are cracking down on how organizations collect and use consumers' data. "Privacy" has become somewhat synonymous with the EU's General Data Protection Regulation (GDPR) law. California's version, the California Consumer Privacy Act (CCPA) becomes effective on January 1, 2020.

**Around half of marketing and insight professionals in the UK are somewhat or very pessimistic about the economic outlook of the UK for the year ahead – significantly more than those who are outside of the UK (48% vs. 24%)\***

## Why You Should Care

Even if your business is situated outside of the EU or California, it's likely that your marketing and advertising campaigns are affected by GDPR and the CCPA. These laws are signaling a shift in public opinion on the rights of consumers, and many tech companies (think Apple, Mozilla) are leading the charge in blocking third-party cookies from their Safari and Firefox browsers.

Arguably the most significant impact privacy laws will have on B2B marketers is in their ability to target audiences using the same methods they've used in the past. For example, intent data, which is usually sold as third-party and helps B2B marketers capitalize on a consumer's likelihood to purchase, will need to have consumer consent to be leveraged.

\*\*B2B Marketing & Insight Survey 2019 Findings," B2B International, 2019

## Privacy FAQs

**Q: Which advertising tactics are most likely to suffer under privacy law?**

A: Real-time bidding, cookie targeting, and cross-device tracking, as they generally transact on data that has not been consented to by a consumer.

**Q: Is the EU actually enforcing GDPR?**

A: Yes. Look at recent examples of British Airways (fined \$228 million) or Marriott International (fined \$124 million) as a clear warning to not circumvent the law.

Even in the US, which is not under the jurisdiction of GDPR, Facebook has come under intense scrutiny for misusing consumer data, most prominently in the Cambridge Analytica scandal. The FTC fined Facebook \$5 billion for its transgressions.

## Important Considerations

- Look for ways to monetize first- or second-party data that has been supplied by a consumer.
- Advertising tactics, such as contextual targeting, mobile app targeting, and private marketplaces with cookie-free environments (e.g., publisher private marketplaces set up with Safari users to be leveraged by agencies), will help B2B marketers compensate for any loss of targeting as a result of privacy law.
- There are reasons to remain positive about the long-term effects of these laws. Ad and martech vendors are actively iterating their technology to adhere to them. For instance, some DSPs are planning to offer their buyers inventory that includes user consent.

The background is a dark, atmospheric night scene. The top half shows a starry sky with a gradient from deep blue to black. The bottom half shows a dark silhouette of a forest or trees along a shoreline, with a body of water in the foreground reflecting some light. A white geometric frame is overlaid on the image, consisting of a large semi-circle at the top and bottom, and two horizontal lines in the middle, all connected by small squares and plus signs at the corners and midpoints.

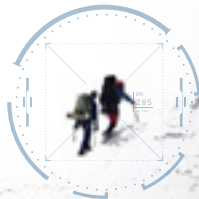
# Game-Changing Technological Advances

# CDPs for Data Management

## What is it?

CDPs, or customer data platforms, are the more advanced cousin of DMPs (data management platforms). CDPs can ingest data from multiple sources that extend beyond transactional or advertising data. The goal of a CDP is to create a single identity of a customer that is continually updated and evaluated.

**“...more than 70% of B2B marketers investing in data management will buy a packaged [CDP] solution, and fewer than 20% will build a custom data lake.”**



## Why You Should Care

B2B marketers frequently cite data management as one of their top concerns and areas for improvement.

CDPs bring some of the most important data management capabilities under one roof, including identity resolution, data management, capture, and integration, audience and journey management, personalization, and analytics.

\*\*“Predictions 2019: B2B Marketing and Sales,” Forrester, 2018

## CDPs for Data Management FAQs

**Q: What if I have a CRM and a DMP, but not a CDP? Do I need to start over?**

A: CDPs are designed to integrate with multiple pieces of technology, so no, you do not need to get rid of your current data management solutions. Look at CDPs as a layer on top of all of the systems you use to manage data.

**Q: How do I get started?**

A: We recommend reviewing Merkle's recent CDP report ["10 Key Principles for Successful CDP Adoption"](#) for tips on how to kick start your CDP strategy.

**Q: Do CDPs align with a people-based marketing strategy?**

A: Yes! CDPs are very complementary to people-based marketing – CDPs operate off PII data, making identity key to their many uses. CDPs help scale people-based marketing strategies.

## Important Considerations

As the applications of marketing data expand, CDPs will become B2B brands' must-haves.

If you're looking to build out your customer personalization and experience strategies, CDPs will become an increasingly important piece of the puzzle.

Some of the biggest players in the space (e.g., Salesforce, Adobe, Oracle) are building CDPs. Early adoption will set your B2B brand apart from the competition.



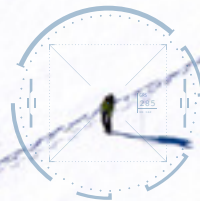
# Artificial Intelligence

## What is it?

Artificial intelligence, or AI, refers to the automation of reasoning, knowledge, prediction, or recognition. For marketing, AI has revolutionized the way in which a brand's message reaches and resonates with a consumer.

A 2019 DemandMetric survey found that **64% of B2B marketers** “hope that AI will help them identify the right accounts or individuals to target,” while only **18% of respondents** are currently employing AI.\*

\*“Study: Few B2B Marketers are Using Artificial Intelligence,” MediaPost, April 2019



## Why You Should Care

It is impossible to predict all the ways in which AI has the potential to impact advertising and marketing. Its effect can be boiled down to efficiency: AI can make marketing drastically smarter, faster, more automated, and more personalized than ever before.

### Applications for B2B marketers include:

- Qualifying target accounts and scoring leads
- Optimizing advertising spend
- Improving customer experience through personalization
- Identifying intent or propensity to buy

## Artificial Intelligence FAQs

**Q: What is the difference between machine learning and AI?**

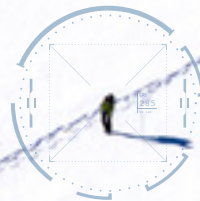
A: Think of machine learning as an application of AI, in that it uses data to learn and make optimizations.

**Q: How has today's AI improved from previous iterations?**

A: AI has been around for a while – we saw early applications of AI in the 1950s. Back then, AI merely mimicked human processes. Today, deep learning, or an extension of AI that involves the cognitive ability to process abstract variables, is being applied to technology such as IBM's Watson, which can predict an audience's propensity to take a specific action.

## Important Considerations

- Before applying AI to your marketing campaigns, make sure you are able to access your first-party data.
- Many demand-side platforms (DSPs) are incorporating AI into their media buying platforms. Media buyers can test AI by focusing on their first-party audience data; they can then see how well it drives a desired action among this audience.
- Because AI can increase the velocity of a B2B customer's buying journey, it's important to eliminate all points of friction from the user experience. Devise journeys that make it easy for a customer to engage with your brand.
- Consider the personnel you'll need to implement AI in your marketing, whether it's the application's end user or a decision-making body that understands the implications and use cases of the technology.



# 5G

## What is it?

5G commonly refers to a fifth generation cellular network. 5G promises greater connectivity and can transmit data through radio waves faster, more efficiently, and with less latency than its predecessor, 4G.

**Networking and telecommunications company Ericsson predicts that 5G will explode in 2021, with an estimated 220 million 5G smartphone subscriptions worldwide, as compared to 11 million by the end of 2019.\***

\*Ericsson Mobility Report, 2019

## Why You Should Care

5G will fundamentally change the way Internet-connected devices speak to each other, and in turn, how consumers interact with their devices.

5G has immediate implications on video and programmatic advertising, and the network is poised to open up more advertising opportunities as Internet of Things (IoT) devices leverage the technology. 5G's data processing speed means that personalization, whether delivered through augmented reality (AR) or the avenues B2B marketers are familiar with today (such as content, social, search, etc.), stands to become infinitely more efficient.





## 5G FAQs

### Q: Which companies are leading the 5G revolution?

A: Huawei, the Chinese company you've probably read about in the news recently, is leading in 5G wireless technology. Huawei is closely followed by Ericsson and Nokia. Apple recently bought a division of Intel in an effort to install 5G compatible hardware into its next generation of iPhones. In the US, T-Mobile, AT&T, and Verizon are rolling out 5G in select cities.

### Q: What's the difference in data processing speeds between 4G and 5G?

A: 5G is about 100x faster than 4G

## Important Considerations

To prepare yourself for a 5G world, start to think about how your marketing will adapt to a faster, more connected, and more data-heavy environment.

Now is the time to have a clear data strategy in place and to hire necessary staff to position your brand for a 5G connected marketplace.

Consumers will begin to expect more personalization and efficiency afforded by the rise of 5G and other innovations – marketers who are forward thinking and nimble in their adoption of new tech will stand out from the rest of the pack when 5G is fully realized.



# Media Innovations

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# Digital Video

## What is it?

Digital video is an incredibly fast-growing and fragmented space. In-stream, out-stream, and overlay ad units can be purchased through myriad conduits to inventory (think DSPs, video ad networks, TV companies' digital properties, publishers) to be viewed on different devices (mobile, desktop, connected TV) in many environments (in-app, social networks, streaming services).

**eMarketer predicts that “81.2% of total digital video spend will be transacted programmatically in 2019.”\***

\*“Q2 2019 Digital Video Trends,” June 2019

## Why You Should Care

Video is no longer just a branding mechanism delivered at a high cost through linear TV buys. Digital video in its many formats has applications for direct response (see 5G's effect on the future of video responsiveness) and demand generation, in addition to its importance for top-of-funnel activity.

As TV and online video buying begin to coalesce further and on-demand or streaming video consumption displaces linear TV viewing, inventory will offer more robust targeting opportunities.



## Digital Video FAQs

**Q: What are some of the most prominent developments in the digital video space?**

A: You can look forward to an explosion of new streaming services planned for 2020 and consolidation of digital and linear video inventory. To wit: AT&T's WarnerMedia is launching HBO Max; Comcast is launching NBCUniversal's streaming service; Quibi is Hollywood's (and many advertisers') big bet on premium content; and Disney will bundle Disney+ with Hulu and ESPN+. All of these changes open up advertising opportunities.

**Q: What about social video?**

A: Social platforms can offer robust (albeit walled garden) targeting with B2B video advertising, and newer apps like TikTok are looking to monetize their platforms in 2020.

## Important Considerations

Programmatic video and connected TV are more cost effective and targetable sources of inventory for B2B marketers who don't want to commit budget up front to TV networks.

If your brand has separate TV and digital video budgets, it's best to have a plan in place to eventually bridge the gap between the two divisions. TV networks are planning for the convergence of digital and TV with advanced TV offerings. For example, companies such as Univision are looking to centralize buying, using ad servers that can handle both digital and linear TV inventory.

In developing digital video ads, the environment and desired consumer action need to remain top of mind. A TV spot may not work in a social environment, and vice versa.



# Digital Audio

## What is it?

Digital audio is content delivered via streaming radio (either online AM/FM radio, pure-play streaming services such as Spotify or Pandora, or podcasts).

“Today, nearly **two-thirds** of the US population (and more than three-quarters of the US internet population) **listens to digital audio at least monthly**, including streaming music, podcasts, or other audio content consumed via live streaming or direct download.” – eMarketer

## Why You Should Care

Benefits of digital audio include high share of voice, high engagement, application for top- or bottom-funnel efforts, and targeting opportunities. Players like Spotify and Pandora have been expanding their ad targeting tools, with the former introducing a CRM upload capability.

Digital audio is especially effective when paired with other forms of media, such as digital video or display.

While digital audio seems like a natural fit for B2C efforts, B2B marketers are jumping on the bandwagon, too. B2B claims 14.1% of ad spend share for podcast advertising, following retail and financial services.\*



\*“Full Year 2019 Podcast Ad Revenue Study,” IAB and PwC, June 2019

## Digital Audio FAQs

### Q: How is digital audio transacted?

A: Either direct or programmatically.

### Q: What does the audience of digital audio look like?

A: This audience skews younger, with millennials dominating the pool.

### Q: What are some of the drawbacks of digital audio?

A: Audio inventory can be limited, and it's difficult to insert dynamic creative. Additionally, the medium, especially podcast advertising, poses measurement problems. The Media Ratings Council dictates that podcast ads have to be accounted for client-side, necessitating that a pixel fire not just when the podcast is downloaded, but actually listened to.

## Important Considerations

- Smart speakers have opened up an entirely new avenue to advertisers, as voice activated search and hands-free devices become more popular. Keep a lookout on how this space will be monetized and how it fits into your customers' purchase cycles.
- B2B marketers who are focused on emotional resonance shouldn't neglect podcast advertising. Most ads are read by the podcast hosts themselves – in a sense, these ads are akin to influencer marketing one commonly associates with Instagram.
- Marketers looking to get around ad blockers should consider digital audio – ads can't be blocked unless a consumer is paying for an ad-less environment, and advertisements are less likely to be skipped.



# Paid Social Advertising

## What is it?

Love it or hate it, social media is here to stay. The ways that marketers monetize social networks are changing almost weekly. Nearly all of the world's most popular social networks are free to access, so these companies' largest sources of revenue come from advertising. This fact necessitates advertising opportunity innovation.

**“LinkedIn accounts for roughly one-fifth of all US B2B digital ad dollars, making it a primary market growth driver.”**

## Why You Should Care

B2B marketers without a paid social strategy will be left in the dust by competitors. Today's B2B buyers are looking for brand experiences of the same caliber as those they experience from B2C brands. This trend makes social fertile ground for marketers.

Paid social advertising is applicable to top- and lower-funnel goals, due to the wide variety of available ad formats and audience targeting criteria.

Social influencers are picking up steam within the B2B world, too. B2B buyers look to trusted voices to decide what to buy, and more often than not these voices reside outside that of their colleagues. Companies like SAP have used “business influencers” to great effect.

\*“2019 US B2B Digital Advertising Trends,” eMarketer, January 2019



## Social Advertising FAQs

**Q: Aren't social companies like Facebook in peril, if they're being hit with fines from the FTC?**

A: Despite a \$5 billion fine, Facebook reported a record first quarter revenue of \$15 billion\* in April. They seem to be doing just fine.

**Q: Will Facebook, LinkedIn, and Twitter ever allow advertisers to port data outside of their platforms?**

A: GDPR is further deterring social networks from sharing data outside of their platforms. Data sharing may exist in tightly controlled environments, such as Microsoft allowing search advertisers to target individuals based on their LinkedIn profiles (keeping in mind, though, that Microsoft owns LinkedIn). Social networks know that they are sitting on some of the most valuable data imaginable, and it seems they plan to keep it that way.

## Important Considerations

- LinkedIn, with its users' declared professional information, is a natural fit for account-targeting strategies. LinkedIn can host your website's lead forms within ads on the platform so your customers don't have to navigate out of LinkedIn's environment. The platform also has "conversation ads," which are pre-populated messages from a brand encouraging users to fill out lead forms or visit a webpage.
- Putting a social influencer strategy in place now will put you ahead of the curve as this strategy becomes more popular with B2B marketers.
- Your video and content marketing strategies should coexist with your social strategy, as these formats and environments are inextricably linked.

\*The New York Times, July 12, 2019





# Final Thoughts

A common theme underpinning these trends is extracting value from data. 46% of B2B marketers cite “leveraging data to inform marketing” as a top challenge.\* Data informs identity, customer experience, and successful applications of technology, but understanding how to keep pace with data’s proliferation is still a challenge experienced by some of the most robust and well-funded marketing departments.

While privacy law has threatened to encroach on marketers’ use of customer data, we see the ecosystem evolving in a manner that will solidify trust between brands and consumers; these changes will allow for more relevant and timely advertising. Customers have a louder voice than ever before, and brands have more opportunities to listen to and capitalize on their customers’ preferences.

To ensure you are extracting the most value from data, ask yourself the following:

- Do I have a handle on my first-party data? Is it stored in a manner that’s easily accessible and updated in real-time?
- Does my marketing data help me understand the professional and the personal attributes of my target customers?
- Is my marketing data sourced in a manner that’s compliant with privacy law?
- Before I adopt new technology for my marketing efforts, do I have corresponding expertise on staff?
- Is the ultimate goal of my data strategy to deliver the best possible experience to my customers?

\* “B2B Marketing & Insight Survey 2019 Findings,” B2B International, 2019

## About Merkle

Merkle is a leading data-driven, technology-enabled, global performance marketing agency that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The agency's heritage in data, technology, and analytics forms the foundation for its unmatched skills in understanding consumer insights that drive people-based marketing strategies. Its combined strengths in performance media, customer experience, customer relationship management, loyalty, and enterprise marketing technology drive improved marketing results and competitive advantage. With 9,000+ employees, Merkle is headquartered in Columbia, Maryland, with 21 additional offices in the US and 29 offices in EMEA and APAC. In 2016, the agency joined the Dentsu Aegis Network. For more information, contact Merkle at [1-877-9-Merkle](tel:18779Merkle) or visit [www.merkleinc.com](http://www.merkleinc.com).



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