2019 Marketing Trends

Nine factors reshaping marketing and how you can stay ahead of them
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Introduction

Simply put: Marketing isn’t what it used to be. You’ve got big data. You’ve got artificial intelligence. You’ve got GDPR and agile workflows. All which ladder up to the holy grail of creating an ever-better customer experience. If you want to compete in this rapid digital world, you need to make your customers happy. Constantly.

We’ll get you started with nine of the most exciting trends developing in the world of marketing in 2019. Improve your business outlook by taking advantage of these transformations today and stay competitive by setting the conversation as the leaders of tomorrow.
Today, the greatest marketing advantage is technical marketing talent — the martecheter. Not only do individuals need to be more skilled, but the traditional team structures also need an upgrade. Award-winning marketing structures are already merging design, data, engineering, product and marketing teams into a variety of new structures, in addition to customer experience and sales teams. It’s this operational nimbleness combined with cross-disciplinary marketers that can support a growing ecosystem of purpose-built marketing tools to match the uniqueness of every business model and customer base.
Director of marketing data becomes the hottest new role

Look for smart organizations in 2019 to create a dedicated marketing role, such as director of marketing data, to establish and drive the human and machine or system connections across their company. In addition to working with technology vendors and internal teams on data integration, this new role will create processes, rules and procedures to ensure that critical data is collected and integrated into a customer data platform (CDP).

Since the beginning of direct and database marketing, data has been foundational for successful marketers, enabling advanced customer segmentation, deep personalization and relevant messaging to customers and prospects. The growth of AI-based marketing tools, however, has taken data management and data integration to a level of mission-critical stature for marketing organizations. In fact, 61 percent of company executives surveyed by MemSQL indicated that machine learning and AI are their companies’ most significant data initiative for 2019.

Data integration and marketing data architects will emerge as new and vital roles in marketing organizations as artificial intelligence and machine learning-based marketing tools analyze data and customer behavior, make recommendations and predictions, and get smarter based on the data and information fed into them.

In combination with these new roles, marketers will demand solutions that are open and easy to integrate through APIs and pre-built connectors and that are increasingly delivered as microservices — functionality that is decoupled and easy for marketing organizations to plug and play homegrown and competing solutions. Those companies where marketing struggles to partner with IT, customer support and e-commerce and to integrate relevant data across channels, functions and systems will essentially be limiting their AI marketing systems from making accurate or reliable decisions and recommendations.
AI and machine learning make hyper-personalization a reality

The promise of one-to-one marketing has been around for two decades, and brands still send consumers an overwhelming amount of marketing messages that are irrelevant, generic or only mildly segmented or personalized. In some respects, the proliferation of data and compartmentalized marketing stacks has made the goal of deep personalization both easier to visualize and more difficult to implement.

The challenge in many cases are the marketers themselves and the limits of human capabilities, time and resources. While 94 percent of companies agree that personalization is critical to their current and future success, almost half say that IT roadblocks (47 percent) and legacy technology (46 percent) are major barriers to their personalization efforts.

Enter AI and machine learning-based marketing tools that are changing the nature of how marketers make decisions and deploy campaigns. While humans still are in the driver’s seat with respect to strategy and creative, machines can analyze, process and deliver personalized content at a massive scale.

A common inhibitor to deeper personalization for most marketers is creating multiple versions of content and then determining the right combinations at the right time for thousands or millions of customers. Growing numbers of AI-based systems, however, can process marketers’ specific rules and directions. These systems can then create and deliver individualized content on the fly to each recipient.

This hyper-personalization is increasingly being based on the predicted behavior of the individual rather than conforming to a statically defined segment. AI-based systems make personalization easier for marketers by learning through each interaction and delivering the right content in the context of the customer’s previous interactions with the brand.

What might this look like? A marketer will receive an SMS alert from a marketing automation tool notifying him or her that a sizable number of customers is predicted to not renew their memberships in the next 90 days. The marketer will then produce multichannel content and campaigns that will be personalized by AI-powered tools with specific offers and content that are optimized in real time across each channel the customer engages in.

Finally, look for 2019 to be the year when testing from after-the-fact A/B and multivariate transforms to more predictive-based and combined models with rules that optimize content and offers in real time.
Digital marketing agencies transform into consulgencies

Is the traditional digital marketing agency dead? Not likely in the near term, but there is a train roaring down the tracks driven by the overwhelming amount of technology, data, artificial intelligence and systems integration needs that is transforming traditional agencies into consulgencies.

For the first time, four consultancies cracked Ad Age’s 2017 ranking of the 10 largest agency companies in the world. With combined revenue of $13.2 billion, the marketing services units of Accenture, PwC, IBM and Deloitte sit just below WPP, Omnicom, Publicis Groupe, Interpublic and Dentsu. What is common across many of these newer digital agencies is a consulting and solutions mindset often combined with deep focus on technology-based services.

While the traditional, large Madison Avenue agencies and holding companies are clearly feeling some heat from these large consulting-based agencies, the trend is also starting to reshape the landscape for smaller and mid-sized agencies. Brands increasingly look to their marketing agencies to source and build new solutions, optimize utilization of existing marketing technologies and help integrate data and disparate technology systems.

Some agencies may find success through a niche approach — doubling down on being deep experts on a channel like email marketing or TV spots — but most will instead increasingly build out deep expertise and capabilities in artificial intelligence, data integration, customer experience analytics, mobile apps, custom solution development and more. And beyond being equally adept in creative, strategy and technology, these consulgencies will be measured and compensated based on results, not just time and projects.

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GDPR helps marketers tighten up data hygiene and build more customer trust

As GDPR ages past its first year, with potential fines up to $9.3 billion hitting the likes of Google, Facebook and Instagram thus far, the rights of consumers and operating dynamics of businesses have shifted, adding complexity to an already challenging business environment. Furthermore, the introduction of new data privacy regulations in California becoming law in 2020 and other states looking to adopt similar regulation, marketers will need to reassess their marketing strategies and tactics.

The key question is: How will this new regulation — which essentially gives consumers greater transparency and control over their data — change the way companies market? Contrary to many marketers’ expectations, the effect can help rather than hinder. A recent study from IBM reveals that nearly 60 percent of organizations surveyed see GDPR as an opportunity to improve privacy, security, data management or as a catalyst for new business models, rather than simply a compliance issue or impediment.

With the potential for more states to follow and US federal legislation potentially covering the entire country, marketers will need to leverage this opportunity to establish trust with their target audience, build their brand with authenticity and develop deeper customer loyalty. Moreover, GDPR and other privacy regulations force marketers to focus their attention on improving data hygiene processes, leading to better targeting and higher quality interactions.

To support this point, take a look at IBM’s recent Marketing Benchmark Report, highlighting marketers in countries with stricter privacy legislation outperforming countries with less regulation. For example, marketers in Canada have posted the highest email mean and median open rates for several years after preparing for the strict Canadian anti-spam rules (CASL) regulations that were announced in 2014 and which went into effect in 2017. Canada had significantly outperformed all other geographic regions with a mean of 38.5 percent and top quartile median unique open rate of 59.8 percent.

The end game will be to transcend a business’s day-to-day transactions and transform the relationship between customer and business with an exchange of secured and trusted data that allows for deeper personalization of content from marketers to buyers and vice versa. Companies ignoring this new consumer world and the many benefits that follow will be left behind with cost penalties that will hurt their bottom lines as well as the opportunity to take customer-centric approaches to marketing to the next level.
Agile marketing adoption accelerates, driving marketing outcomes and culture

As digital transformations accelerate and demand for exceptional customer experiences grows, marketers and CX professionals are faced with the new realities of thinking, working and collaboration to support their businesses. More and more marketing teams are adopting agile frameworks as part of their transformations. They must prioritize their work by understanding which problems they’re looking to solve and why, while they define which outcomes need to be achieved and measured within a given sprint.

Scott Brinker writes in his book *Hacking Marketing*, “Agile marketing, at its heart, is about giving individual marketers and small marketing teams greater ownership of their work and significant latitude in how they achieve their goal. It operates on trust and transparency, more than command and control.” This aligned with *AgileSherpas’* first annual state of agile marketing report, claiming that approximately 36.7 percent of marketing teams are practicing agile marketing to allow them to quickly pivot marketing priorities, deliver higher quality work and increase productivity to accelerate delivery to market. Other studies illustrate the same trends in which marketers are looking to implement agile marketing within their team in the next 12 months and even blend hybrid approaches to their business dynamics and environment. Take a look at IBM’s own marketing transformation.

In the end, it’s all about the benefits, and these are some core reasons why agile marketing adoption will continue to accelerate into 2019 and beyond:

1. Greater ability to shift gears and manage changing priorities
2. Tighter business alignment and objectives
3. Increased delivery speed and time to market
4. Improved team morale and team productivity
5. Higher output in the quality of work

Organizations driven by culture change and agile mindsets have a first-mover advantage, especially where AI-powered marketing technology is enabling the right sets of tools to align and measure the proper objectives and metrics. Moreover, with the right mix of agile marketing approaches and the proper Martech platforms, marketers have the power to push and pull the right levers to determine failure or success and how they need to adjust course to propel their business with a common purpose. As they say, iterate and iterate — practice makes perfect to do your best work fast.
MarTech + AdTech finally together
= the Holy Grail of Marketing

The convergence of MarTech and AdTech has been discussed for many years, yet many brands still fail to achieve it. Technology stacks are often too deep — enterprise brands use on average more than 90 marketing tools — and too costly to integrate or migrate. Data connectivity and the ability to power it with AI to gain a real-time understanding of customers and ad spend optimization will be the driving forces in the need to converge MarTech and AdTech.

AI-powered ad bidding, with industry enriched data, will be essential in reducing cost per acquisition across industries. The AI-infused bid optimization promises to improve yield in the ad bidding process by not only ingesting vast amounts of data, but also rewriting its model with every bid — continuously learning and assigning values in real time, evolving across campaigns. With more data and signal points, AI enables brands to delight customers with personalized offers across channels where and when it matters most to them.

Having a fully connected and open MarTech and AdTech ecosystem will be the newest must have technology capability of 2019. This agile ecosystem enables markets to continuously examine the impact of their media spend and rate of return achieved. By 2020, advertisers in the US will programmatically execute nearly $69 billion on US digital display ads, representing more than 86 percent of all digital display ads served. By integrating MarTech and AdTech technologies today, marketers will be better prepared to lean into the benefits of programmatic ad spend to come.
Customer centricity will drive constant transformation

Customer expectations are at an all-time high. Driven by the changing dynamics and buying behaviors with customers and markets alike, marketing professionals are going through a transformation in how they connect, interact and personalize with their audiences. No longer are marketing professionals just focused on the traditional funnel, which is designed to attract new customers and markets with a single transaction. Marketing organizations are now discovering a longer and deeper customer cycle that centers around the customer experience (CX) and lifetime value by strengthening and retaining existing relationships.

A recent IDC FutureScape study predicts that by 2022, 35 percent of CX-focused organizations will adopt commerce everywhere business models and generate 50 percent of their revenue through contextual discovery experiences. As this trend becomes a realization, marketing teams must rethink their overall customer experience approach, with an integrated and cohesive strategic vision plan to empower their brands rather than two distinct customer and marketing strategies as independent playbooks.

Marketing and CX transformations are risky and involve a considerable amount of time and patience to fully utilize their potential, but the rewards are indisputable. The IDC FutureScape study also predicts that by 2019, the number of tech-centric CMOs with a formal role in company-wide customer experience leadership will have doubled to 12 percent.

To develop a powerful customer experience, marketing transformation must include AI-powered marketing platforms to:

1. Digest their own customer data silos with other data sets, carefully pull the proper insights and apply them to their decisions
2. Understand and deep-dive into their customer base to learn which historical and real-time behaviors are relevant
3. Test, pilot and iterate across various marketing platforms, content and programs to differentiate their brand in the market with purpose

By 2022, companies focused on customer experiences are predicted to generate 50 percent of their revenue through contextual discovery.
In the emotion economy, purpose creates loyalty — what have you done for others lately?

Today’s marketers are shifting from the attention economy to the emotion economy. It isn’t simply enough to catch the eyes of customers; it’s also important to deliver happiness and win their hearts. Buying is often an emotional decision, and customer experiences have to trigger the right emotions to get them to buy—and keep buying. When customers are engaged emotionally, they are much more compelled to take the actions that drive business. If a brand wants to sustain that growth, it must pull these emotional triggers again and again.

One of the most telling markers of the emotion economy is the purpose-driven brand. More than ever, consumers care about a holistic relationship with brands and businesses, especially younger consumers. They’re more likely to engage with brands that are authentic, meaning the brand promises a strong point of view and delivers on it. The latest quintessential case is Nike’s partnership with NFL quarterback Colin Kaepernick, the star who knelt during the National Anthem in protest of police brutality. The action spurred thousands of people to film themselves burning Nike apparel. At the same time, by featuring Kaepernick in its ad campaign, Nike appealed to the social justice mindset of a new generation of consumers—and ultimately generated around $43 million. While purging its older demographic, Nike has now ignited brand loyalty from consumers under the age of 25.

This isn’t a situation unique to Nike. The new consumers are conscious of a brand’s social impact and policies. How many people were willing to delete Uber during the peak of its fiascos? How much of Tesla’s brand loyalty is influenced by its mission to reduce carbon footprints? And, of course, how has online behavior changed in the last 12 months during the ongoing Facebook privacy and transparency investigation? Social impact isn’t just a fluffy armchair talking point anymore; it’s a strong purchase consideration value proposition for consumers. To differentiate in 2019 is to deliver a strong social point of view.

Even before the latest round of new privacy protection legislation, the younger demographic was already the most competitive and expensive market segment. Now, it’s clear the way to prepare for long-term success is to build a purpose-driven brand and develop a world class marketing program.
Set the trends

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