



The Great Acceleration To Digital



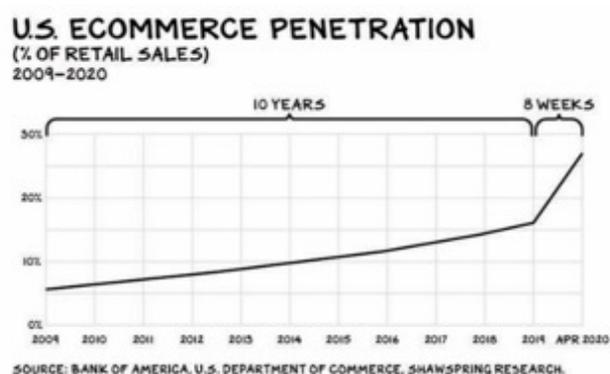
The Great Acceleration To Digital

Some advertisers have kept pace with the huge shift to digital in 2020, but are media planners still in the race? With new consumer behaviours forcing brand owners to rethink their media plans for 2021, here are five crucial questions for planners to consider.

COVID-19 and its after-effects have pulled the future forward, as consumers take more control of their own media consumption. Like a champagne cork that, once opened never fits the bottle again, there's no going back to December 2019; only accepting a reality of ever-expanding choice. 2021 will be the year that every brand — not just the already digitally savvy ones — will double down on technology-fuelled experiences, operations, products, and ecosystems. To succeed in this new environment, companies will need to ensure that their digital channels are on a par with, or better than, the competition.

Advertising's tipping point: digital takes first place

Companies are accelerating their shifts toward digital-first models at warp speed. An Post's parcel delivery growth jumped 230% in the space of twelve months; the UK market vaulted nine years forward in a matter of months; US e-commerce grew as much in eight weeks as it had in the decade before the pandemic.



Consumers were (and to some extent, still are) pivoting to 'digitised' versions of existing behaviours, many out of necessity. I expect we'll see a lot of these adopted behaviours normalise by summer 2021 when vaccines are rolled out and lockdowns wound down.

Overtaking traditional media

Against this backdrop, advertisers are trying to plan for 2021, figuring out how much to budget, how to use that money as efficiently as possible, and how best to position themselves to adjust to whatever the future might hold.

While advertisers have adjusted their media spend, media planning still doesn't reflect the scale of the change in the market or the precision that's now possible through analytics. Taking old plans and adding or subtracting a percentage won't be enough this time. With 2021 in our sights, here are five questions marketing teams should focus on before locking in their media plans.

1. Do you have a blind spot in your media strategy?

For the past decade, the industry has treated "online" or "digital media" as distinct from media as a whole. The traditional media planning process has generally been to set the TV plan first before turning to other channels to fill gaps in the funnel. This 'TV first' mindset still proliferates, even though the pandemic has sped up consumers' move away from linear TV to digital channels and video on demand. In response, many advertisers are allocating spend away from TV, but there are still significant blind spots in media-spend performance models. On average, traditional media is estimated to account for just under 50 percent of the total media market expenditure total in 2020, a figure expected to fall further in 2021.



2. Do you have an 'identity crisis' with your data strategy?

Prior to the economic chaos caused by COVID-19 and the subsequent havoc it has wrought on the media industry, ad tech's biggest priority — or its identity crisis, to be precise — was cookies.

As the demise of third-party cookies looms, due primarily to privacy and regulatory concerns, it's clear that the impact on measuring ad effectiveness, and a reduction in granular targeting, is not yet fully understood. And there's no simple alternative.

While 2021 is the year that digital ad spend is forecast to become truly dominant globally, the digital ad world is getting tougher to target and measure. Google's Chrome browser will phase out cookies over the next 18 months or so, and Apple will only allow access to consented users' IDFA's (Identity for Advertisers) from early 2021. This adds to the uncertainty about deriving exposure data to assess campaign effectiveness.

Marketers need new ways of not just tracking but understanding consumer behaviour and applying that understanding to marketing activation. This will give them more options and make them less reliant on Google's intent data, Facebook's lookalike audience modelling, and Amazon's purchase intent data and home in on their first-party data to drive performance. The challenge is that in order to take control and leverage their own data effectively, brands need to build their own technology stacks.

3. Do you have the reliable data insights available to fine-tune your spend?

During these unusual times, it's important to build flexibility into media plans. Precision budgeting, in fact, builds in regular adjustments based on monthly reviews. Regular reviews of performance — the effect of spend on audience targeting and personalisation, for example — allow marketers to pull back spend if its marginal contribution starts diminishing, or to maintain and even increase spend if its contribution is rising.

4. Are you over-reliant on the walled gardens?

Industry-wide concern over the disproportionate amount of ad spend that flows through the walled gardens of GAFA (Google, Apple, Facebook, and Amazon) is set to continue. The major platforms will continue to offer digital effectiveness and targeting

solutions based on their own siloed data, but this won't answer advertisers' questions about holistic campaign effectiveness. It remains to be seen if the EU competition authority and its US counterpart's current legal challenges can address this imbalance of power.

5. Are you thinking holistically about measuring your media ROI?

As anyone who's tried to sprint a marathon can tell you, it doesn't end well. And yet this is exactly what too many marketers are doing when it comes to demonstrating the value they contribute to their businesses. They're taking a metric designed to be calculated over time and doing their best to generate it in a fraction of that time.

In order to truly understand ROI in this omnichannel world, planners need to think, plan and measure holistically: how do in-store experiences impact online shopping? What macro factors are impacting these online/offline relationships? How does paid search within and beyond e-commerce sites impact foot traffic and sales at real-world retailers?

Siloed measurement leads to separate planning and execution for online and offline marketing, and that's not a winning strategy. Rather, it's about creating a unified, holistic view across tactics and channels, and understanding the short- and long-term impact each channel offers while keeping the consumer in mind, from the start of their omnichannel journey through purchase and beyond.

Just as consumer sentiment and behaviour changed as the pandemic took hold, so it will continue as communities go through stop-start lockdown and reopening cycles. This makes it impossible to predict the future with any certainty. Unless advertisers devise flexible media spending plans that can adapt to change, they will feel like the runner who stops to tie their shoelaces while the other racers power past them.



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