

What lies ahead for digital advertising in 2012

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State of the industry

As we wrapped up another exciting year in digital advertising, advertisers, publishers, and their intermediaries get down to business as they prepare for 2012 with keen interest and great optimism; based on anticipations about the trends they expect will dominate this year. Due to the continuous and rapid evolvement of the digital advertising industry we believe:

One thing is certain: 2012 will be another year for the smartest marketers to tap into various digital media opportunities from marketing technologies to trends in online behaviour.

One thing is constant: Advertisers, publishers, agencies, and their intermediaries will be compelled to continuously adapt, innovate, and move along with the most influential trends that will shape 2012 and beyond.

Key trends for 2012:

Increased adoption and integration of technology

As technology increasingly takes the centre stage, brands that intend to stay upfront with the rapid change in marketing technology will need to have a model in place that will aid the smooth transition and integration of evolving technologies in all their marketing activities. From mobile and wireless devices, location-based and multi-platform apps, SMM and real time dynamic ads; technology will play a defining role. We will see an increased adoption rate of new technologies across the entire digital advertising spectrum.

Multi-screen reality

As consumers become increasingly demanding, they continue to seek ways they can consume online content on multiple devices. Wireless devices have spawned new ways consumers can interact, and simultaneously consume content using their TV, PC/laptop/tablet, and smartphone at the same time. This trend presents an opportunity for advertisers to effectively interact and increase engagement with users. Expect this trend to soon pick up momentum as revenues from multi-screen content delivery platform are <u>forecasted</u> to hit \$21 billion in 2015. To efficiently boost engagements advertisers will need a dynamic and single ad that is viewable on all devices across multi-channel.

Display set for another great year

In 2011, global adspend on display remained the core growth driver for online ad revenue throughout the year. Thanks to explosive growth in rich media, video ads, RTB, and SMM, display is poised for another good year with double digit growth in major markets throughout 2012. In 2015, Display will cash in most of the global online ad revenue as it overtakes search to become the largest online ad category, according to Forrester research. There will be a surge in online video adspend, in part due to the development of better metrics.

Mobile, mobile everywhere

Expect mobile to become a prerequisite for a successful online marketing strategy due to its power to deliver higher performance metrics, the explosion of smartphones' adoption, and its penetration into markets worldwide. With the number of mobile optimised websites expected to grow this year, adspend on mobile will increase substantially. Adspend on mobile is forecasted to hit \$20,6 billion in 2016 from just \$3,3 billion in 2011. Mobile optimised website will increase, as advertisers

move to tap into mobile ecommerce opportunities resulting from the growth of mobile internet usage. 2012 will see an influx of advertisers bundling their marketing efforts and shifting more budgets to mobile in order to enhance their campaign performance in targeting smartphone users everywhere using location-based services.

RTB ramping up to a quarter of all online adspend in 2015

RTB spending is hitting record heights to such an extent that RTB spending will account for 25% of total online adspend in 2015, according to emarketer.

Social media marketing to the masses by the masses

With global ad revenue on SMM hitting \$8 billion this year, expect to see more brands taking their game to Social Networks as SMM becomes an integral part of advertisers marketing strategies. SMM will move beyond the so called experimental phase to an indispensable aspect of an advertiser's online campaign and overall marketing strategy. Brands that want the online dialogue to work for them will need a comprehensive, end-to-end SMM strategy to complement their other marketing efforts.

Conclusion

In spite of the challenges down the road, all these trends have one thing in common; they represent an increment to the overall industry revenue pie for marketers that plan well and move along with the trends that impact their businesses the most.

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