2022 Trends Report

SL

Contents

INTRODUCTION	3
AUDIENCE	4
STRATEGY	7
EXECUTION	11
PLATFORMS	15
MARKETPLACE	18
NONTRADITIONAL	21
ECOSYSTEM	23
REACH	25
TARGET	27
DESIGN	29

Introduction

Since March 2019, many organizations have completely redefined customer engagement strategies to meet evolving consumer needs in the face of a pandemic and widespread social upheaval. Consumers now expect tailored and personalized experiences as they toggle between digital and physical channels, but they are also more guarded about how their data is captured and deployed. Organizations, meanwhile, are scrambling to find the right mix of talent and technologies to elevate creativity and analytics — while also ensuring that their talent is just as representative and inclusive as the experiences they hope to deliver to market.

So, what's your next move?

Get ready for Gen Z

Want to reach Gen Z? *You have eight seconds.*

Eight seconds or less. That's how long you have to win or lose the attention of a Generation Z consumer online. That's four seconds less than the prior generation (per Forbes). Marketers might have considered millennials a challenge, but Gen Z is setting the stage to become 40% of the U.S. population by 2022 (FastCompany). For an estimated annual direct spending of $323-plus billion and an even greater influence over $1.2 trillion of spending, those eight seconds are critical to how your brand grows with this next generation (Adweek).

Is your 2022 digital marketing strategy ready for shape-shifting segmentation, snackable content, purpose-driven brand strategy and more realness than ever before? The next evolution of consumer behavior is here — and to us, that's the catalyst for innovation.

How to capture Gen Z's attention

Feature actual customers for your ads.

84%

trust a company more if a company uses actual customers in their ads (Ad Age).

Be brave with your mission.

69%

are more likely to buy from a company that contributes to social causes (Ad Age).

Get more views with short-form video.

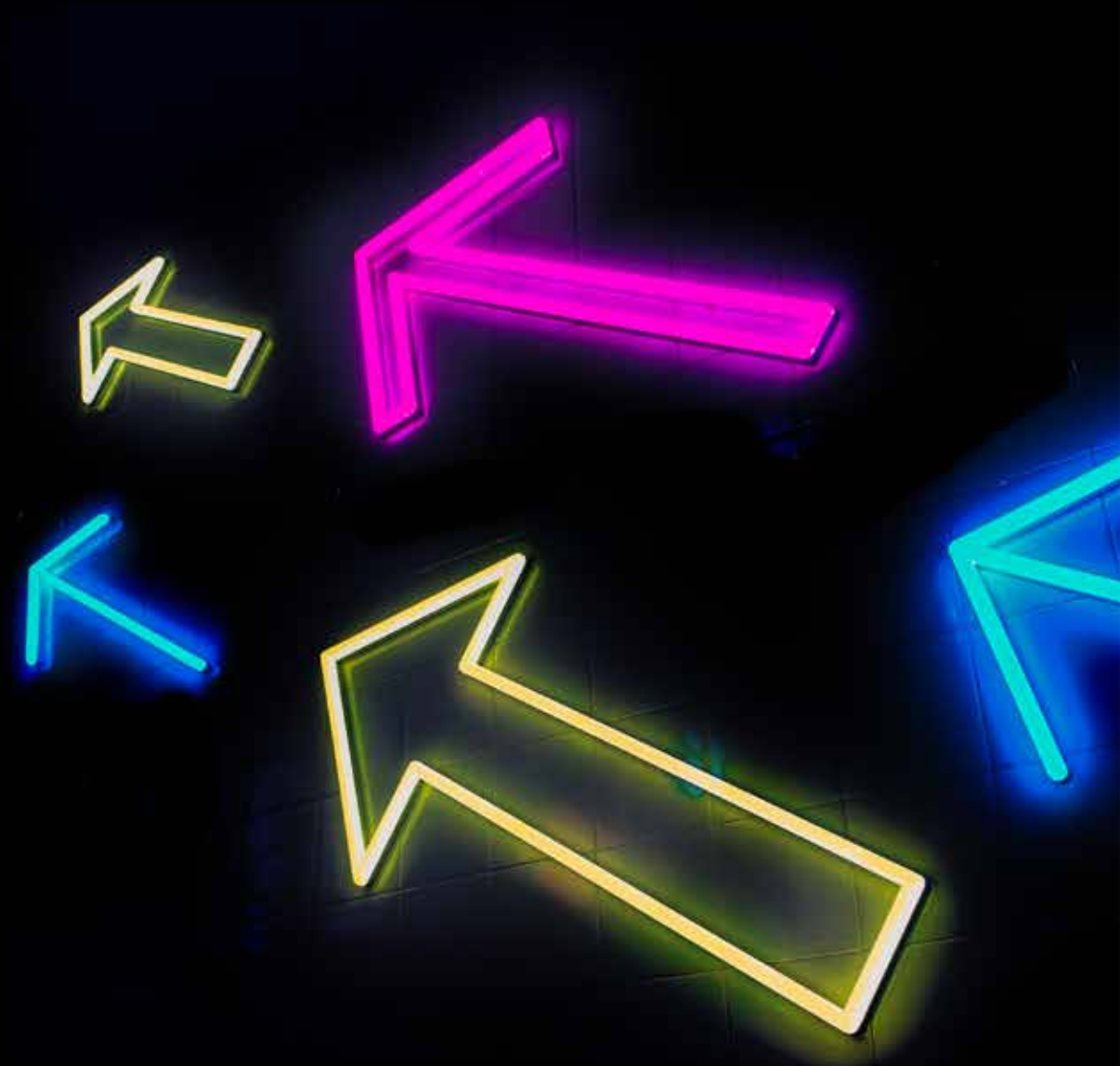
70%

of Snapchat's and Instagram's respective Gen Z audiences watch stories (Business Insider).

Be prepared to lose some of them:

33%

have stopped buying from a company that contributes to a cause with which they disagree (Ad Age).



Content Alignment *will never be more important*

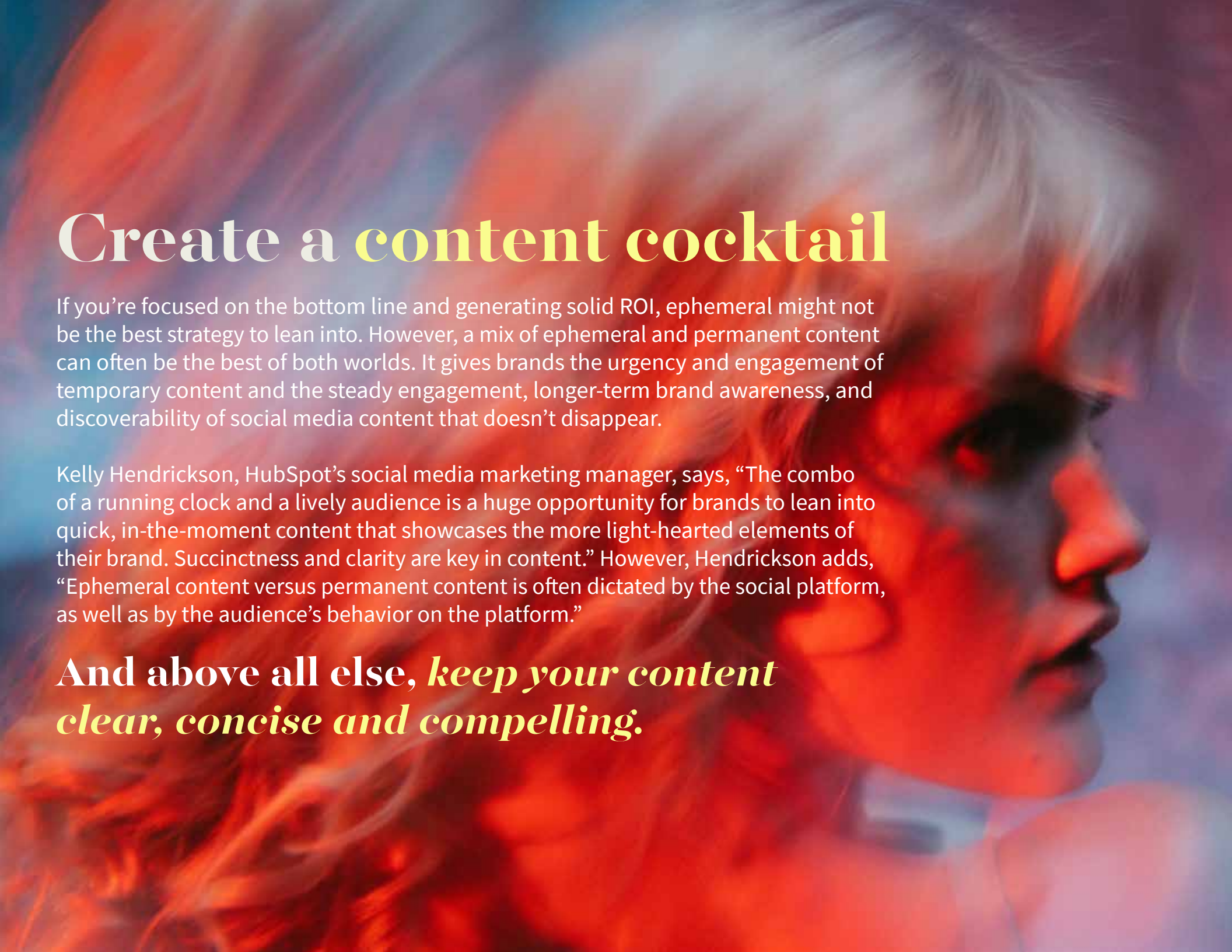
Keep it together

Marketers will need to have some source content on your website and other things you own, like social or sister sites. Once you get a solid base of authority on different topics, then work to gain added credibility by adding the PR element, where others are quoting or mentioning your content. Finally, make sure that people are linking to your content under certain topics that you can own. When Google is ranking your site, it isn't looking for just any old link. It's looking for links from relevant websites. The more relevant these sites are, the more authority they give your site.

Permanent social posts could overtake ephemeral content

While ephemeral content – which often stays published for 24 hours before disappearing (unless it's saved or archived) – isn't going away anytime soon, brands have seen that permanent social media content – such as standard posts, videos, and live events that show up on a platform's feed and can be viewed again days later – might be more effective within their marketing campaigns.

A survey showed 44% of global marketers plan to increase their investment in permanent social media content, while 8% say it generates the most ROI compared to other marketing strategies they leverage. Meanwhile, 25% of respondents called ephemeral content the "least effective" trend they invested in. Lastly, 37% of marketers said they plan to decrease their investment in ephemeral content.



Create a content cocktail

If you're focused on the bottom line and generating solid ROI, ephemeral might not be the best strategy to lean into. However, a mix of ephemeral and permanent content can often be the best of both worlds. It gives brands the urgency and engagement of temporary content and the steady engagement, longer-term brand awareness, and discoverability of social media content that doesn't disappear.

Kelly Hendrickson, HubSpot's social media marketing manager, says, "The combo of a running clock and a lively audience is a huge opportunity for brands to lean into quick, in-the-moment content that showcases the more light-hearted elements of their brand. Succinctness and clarity are key in content." However, Hendrickson adds, "Ephemeral content versus permanent content is often dictated by the social platform, as well as by the audience's behavior on the platform."

And above all else, *keep your content clear, concise and compelling.*

Video marketers will keep content short

Video *killed* the radio star

In a recent HubSpot survey, it was emphasized that short-form content is the second-most effective trend that marketers are currently leveraging. More than 31% of global marketers currently invest in short-form video content, and 46% of them consider the strategy effective when it comes to performance and engagement. And, in 2022, 89% of global marketers plan to continue investing in it or increase their investment.

Short-form Video Fast Facts

89%

of global marketers will spend the same budget or more on short-form videos in 2022.

46%

of global marketers who leverage short-form video consider it effective.

31%

of global marketers were already investing in short-form video in 2021.

Keep it *short and sweet*

While long-form videos can offer depth and large amounts of information about a product, brand, or service to audiences, both B2C and B2B marketers have learned that getting to the point with short-form videos can actually be much more effective. Not only does it take less bandwidth to create a short-form video, but this type of format aligns well with the fast-paced attention spans of online audiences in a variety of demographics. This is likely why platforms like TikTok, Instagram Reels, and – in previous years – Snapchat have gained quick growth and marketing interest.

Short-form video has the *highest ROI of any social media marketing strategy*

“The highest-growth brands are committed to achieving equitable outcomes across all areas of influence – workforce, marketplace, and society.”
- Deloitte

SL

TikTok vs. Instagram

Music Options & Video Editing Features

TikTok has a wide selection of music that can easily be accessed by all users via TikTok's Sound Library. Instagram Reels, on the other hand, doesn't allow business profiles to access its music feature. Business accounts that want to include music in their Reels have to resort to recording their own audio, using someone else's original audio, using royalty-free music or preproducing their Reels outside of the app.

The Algorithm

TikTok's "For You" page is the equivalent of Instagram's "Discover" page, except it has a more advanced and engaging algorithm. It is much more customized to user's interests and its full vertical screen experience keeps users scrolling. Instagram's "Discover" page, on the other hand, is a melting pot of content.

Paid Advertising

Instagram is more established than TikTok in the paid advertising space. TikTok does, however, offer paid advertising options. Instagram uses branded content tags for Reels. The platform has also long been facilitating the creation of branded content for static posts. Even though Instagram seems to be transforming into an alternate version of TikTok, there are still vast differences. TikTok's unique video content gives it a competitive edge in the ever-evolving social media landscape, but Instagram has the advantage of being owned by one of the biggest technology conglomerates in the world.

TikTok is *taking over*

- TikTok generated an estimated $1.9 billion revenue in 2020, a 457% year-on-year increase
- TikTok had 1 billion monthly active users in September 2021 and is expected to reach 1.5 billion in 2022
- In China, TikTok is accessed by over 600 million users daily
- TikTok has been downloaded over 3 billion times

Revenue

Year	Revenue
2017	$63 million
2018	$150 million
2019	$350 million
2020	$1.9 billion

Age

Age	%
<18	28
19-29	35
30-39	18
39	19

Gender

Gender	%
Female	59
Male	39
Other	2

The world's best brands are *winning* at TikTok

Convenience *and* customized experiences prevail

Sky's the limit in e-commerce

The pandemic accelerated the shift from physical to digital channels as organizations sought new ways to engage with customers and employees during the lockdown. Now, as more businesses reopen, many brands are challenged with creating hybrid experiences that integrate the best of physical and digital worlds. Three-quarters of global executives surveyed say they will invest more in creating hybrid experiences over the next 12 months, with the goals of improving personalization (43%), customer connection (40%), and inclusive experiences (38%). How can they achieve this? Leaders can start by applying principles from human-centered design — expanding consumer choices, integrating feedback, and investing in technological infrastructure.

- After almost 50% growth in e-commerce channel ad spending last year, advertisers will increase those allocations by another 27.8% this year to a record $24 billion.
- E-commerce channel advertising will be among the fastest-growing segments of digital advertising, accounting for 1 in 8 digital ad dollars this year.
- Brands are gravitating toward retail media and moving the category up the marketing funnel.
- Search still accounts for the lion's share of e-commerce channel ad spending, but display and video in particular, are becoming more important for keeping top-of-mind to consumers.

$24 billion will be spent in e-commerce channels this year

Going *virtual*

Many brands are using AI to help predict customer behavior and deliver more personalized and creative marketing messages. But while AI can help ensure that the right offer reaches consumers at any touch point along their journey, it often isn't sufficient in creating a dynamic customer experience. For instance, a self-service chatbot that can't connect customers to live representatives may convey that the company prioritizes cost savings over helpfulness. Employing customer service agents and integrating AI into critical parts of the customer experience—from producing timely offers to providing service representatives with relevant information—can help brands deliver holistic customer solutions.

Virtual reality is viewing a computer-generated, lifelike scenario. Augmented reality is viewing the real world augmented with visual, haptic, olfactory or visual additions. VR and AR offer different experiences, but both are making waves in the marketing world today.

VR and AR are used to supplement and improve customer experiences online and at events. Generally speaking, this is a trend that marketers have been slower to adopt due to pricey equipment and bulky headsets. But, as VR glasses and AR apps become more accessible, businesses can expect to add this technology to their marketing strategy.

35%

of marketers were leveraging AR or VR in their strategies in 2021.

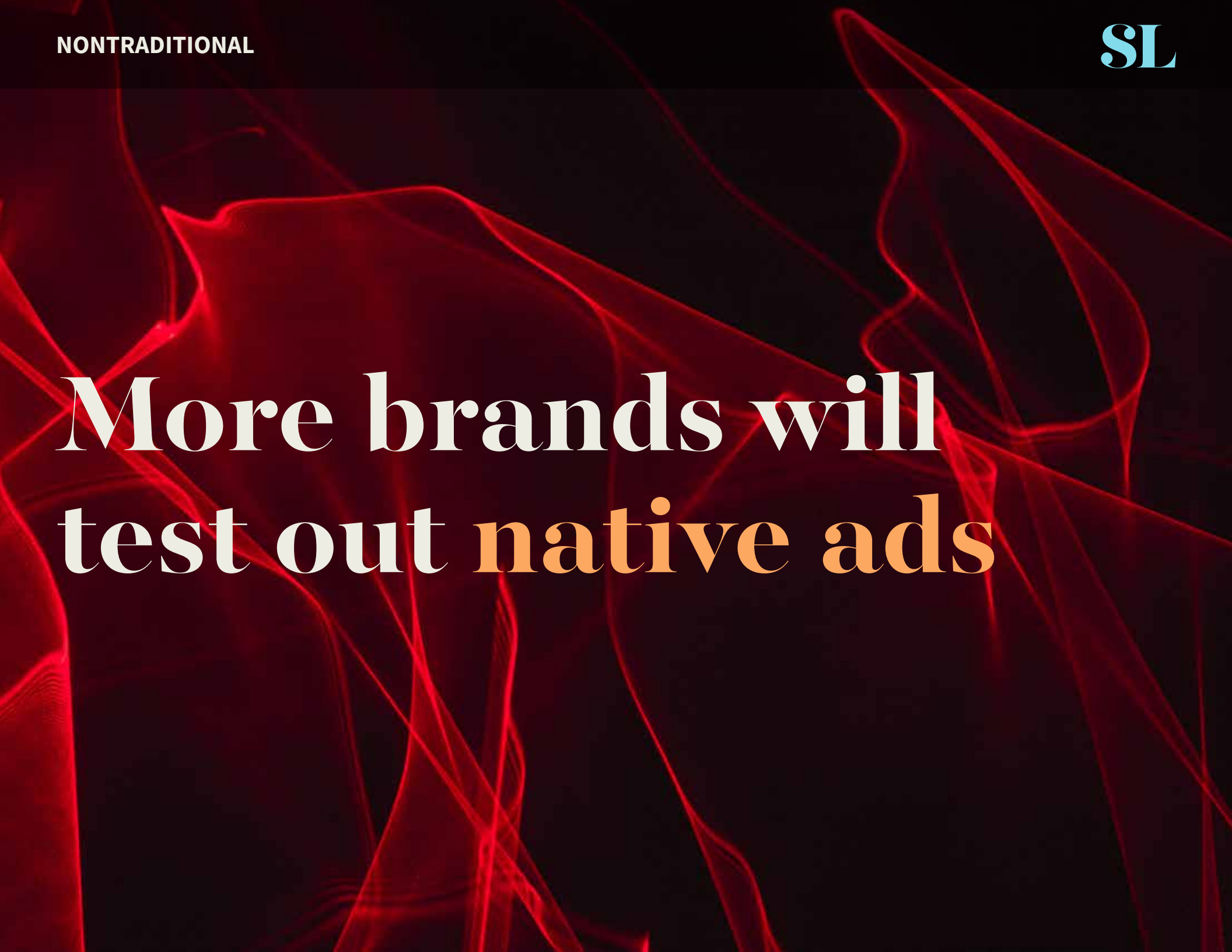
42%

of those marketers plan to increase their investment in 2022.

9%

of those who didn't leverage either in 2021 will experiment with it for the first time in 2022.

Digital marketing's new frontier is already here


More brands will
test out native ads

Native *works*

Because native ads don't "feel" like traditional ads, consumers are more likely to consume them — in fact, consumers view native ads over 50% more than banner ads. Examples of native advertising can be found on social media, through search engine results, content recommendation platforms (those links to various other content you can click at the bottom of the page to read more on or related to the topic), or in campaigns.

In 2021, 24% of global marketers that HubSpot Blog surveyed currently invest in native advertising. In 2022, 23% of those who haven't leveraged it plan to for the first time.

Why the growing interest in this strategy? It works. Of the marketers who use native ads, more than 36% say it's effective, while nearly 5% say it's their top ROI-generating tactic. When your brand pays to feature content on a third-party website, you're investing in native advertising. Unlike traditional advertising, which is designed to interrupt and stand out, native advertising is designed to blend in and promote your brand to a new audience that might otherwise never learn about you.

For example, Instagram is a popular social media network that routinely partners with brands for native advertising. By taking advantage of the Instagram story or shop features, brands are able to share posts that look similar to the average user's followers posting style, while subtly advertising a product.

Subtle leads to success

What are walled gardens?

Open the gate

A walled garden is an organization that keeps its technology, information, and user data to itself, with no intention of sharing it. In simpler words, a walled garden is a closed ecosystem, operated by people within the ecosystem, without the involvement of an outside organization.

In ad tech, the exchange of user data via cookie syncing between parties was necessary in order to show relevant ads and maximize revenue. However, walled gardens make the job tricky for this exchange. Google, Facebook, and Amazon are the three ad tech giants that pocket more than half of all the digital ad spend.

It's critical to be able to work within these walled gardens, or to source digital media vendors and ad tech companies that have their own first-party data, to ensure that the data is GDPR- and CCPA-compliant, and that the system uses services like DoubleVerify to ensure brand-safe, human traffic as expected.

With the lack of transparency, *using best practices is vital*

Reach more people with probabilistic data modeling

Putting the pieces together

Probabilistic modeling is generated through collecting anonymous data points from a user's browsing behavior and comparing them to deterministic data points. It identifies users by matching them with a known user who exhibits similar browsing behavior. By aggregating these data points and plugging them into deduplication algorithms, detailed audience profiles can be achieved from incomplete information.

Example

Lifestylewebsite.com is able to recognize Angie because she has a user login to the site. Angie frequently browses the fashion content of Lifestylewebsite.com and other fashion sites. From this information, Lifestylewebsite.com is able to identify other fashionistas like Jennifer and Lauren because they exhibit similar browsing behavior.

This allows Lifestylewebsite.com to operate under the assumption that Jennifer and Lauren share other demographic, psychographic or interest-based traits and characteristics as Angie, which in turn allows Lifestylewebsite.com's advertisers to reach more of their desired audience.

Probabilistic data is information based on patterns and behaviors

SL

What is deterministic data?

Definitive proof

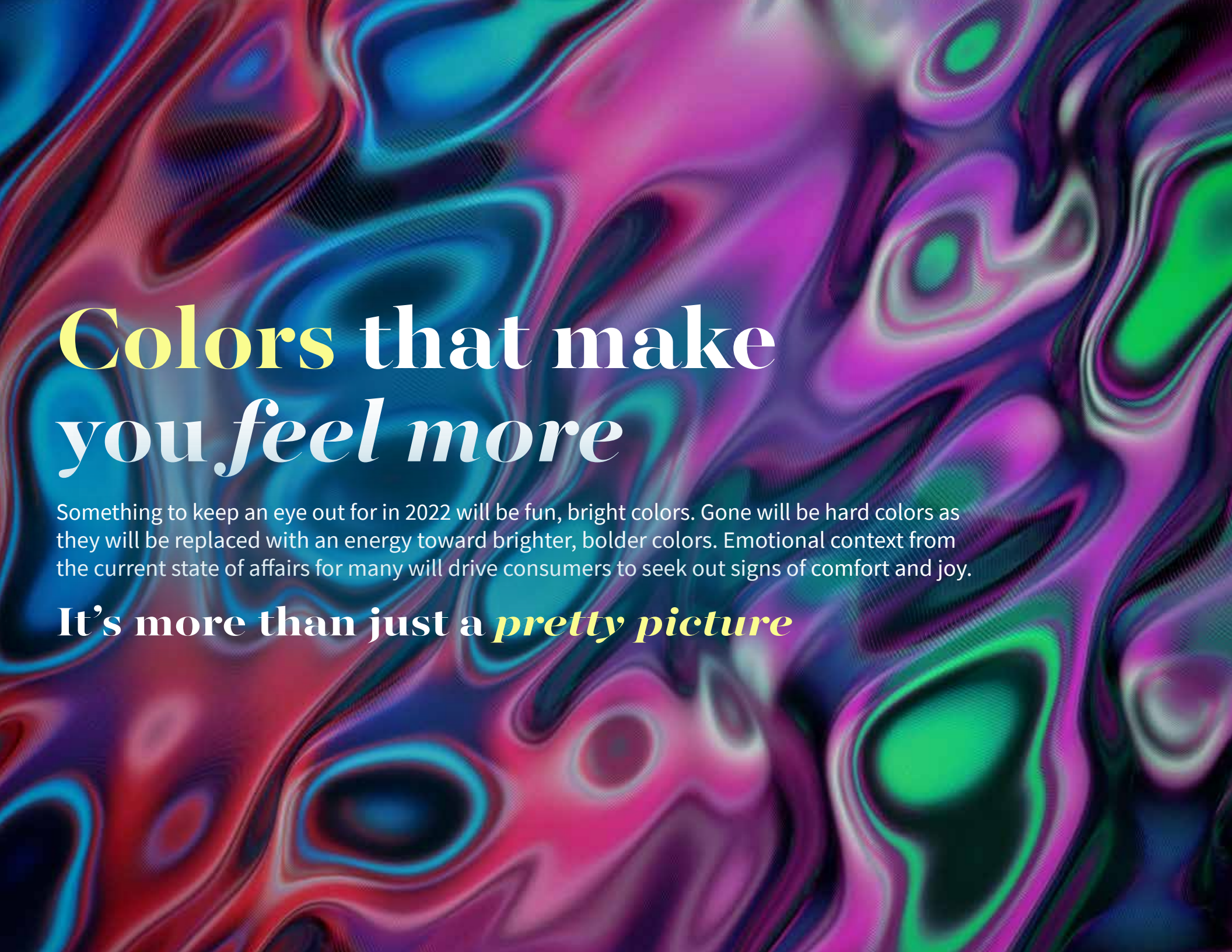
Returning to earlier targeting tactics before cookies were widely used, deterministic targeting modeling relies on definitive proof of a user's identity, such as through a user login. This means that the majority of first-party publisher data falls in the deterministic category.

The reason that first-party data is so valuable is because it can be determined true or false. If a publisher possesses data about a user through a login, the publisher can definitively identify the user next time they visit or log in.

Another key benefit of deterministic modeling is the implication for cross-device tracking. Whether a user is logged in on their phone, tablet or laptop, a publisher or brand definitively recognizes that user across devices and can provide a holistic, rather than a fragmented, user experience.

Deterministic data is information *known to be true*

Pop of color



Colors that make you *feel more*

Something to keep an eye out for in 2022 will be fun, bright colors. Gone will be hard colors as they will be replaced with an energy toward brighter, bolder colors. Emotional context from the current state of affairs for many will drive consumers to seek out signs of comfort and joy.

It's more than just a *pretty picture*

Want to talk more about how you can stay on trend?

Jeff Philbin
Director of Business Strategy

Jeff@schifinolee.com
O 813.258.5858 x 2390
C 203.610.2338

SL

Schifino Lee
1646 West Snow Avenue, Suite 1
Tampa, FL 33606