DIGITAL MARKETING

AND

PAID MEDIA PREDICTIONS 2018

ACQUISIO

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INTRODUCTION

Every year, we collect PPC and digital marketing predictions from the smartest experts and thought leaders in the industry to help marketers like you prepare for the year ahead. From emerging ad platforms, to privacy concerns, to artificial intelligence, here's what to expect from digital in 2018.

Happy Reading and Happy New Year!

Jeff Baum

Director of Services
Hanapin Marketing

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Marketing Gets More Strategic with Machine Learning

My prediction for '18 is marketers adopting machine learning in earnest. Between Google upgrading its smart bidding technologies, updating ad rotation settings, and rolling out smart display campaigns, they've signaled that machine learning is critical for performance to increase.

As a PPC marketer, it'll be important to take advantage of machine learning to gain deeper insights into account performance and its underlying drivers so account managers can make more informed strategy decisions.

Leveraging machine learning will drive creative messaging, audience targeting, and bidding in new, more granular ways that allows marketers to gain a leg up on their competition.

Johnathan Dane

Founder/CEO
Klientboost

🐦 @JohnathanDane

Greater Data-Driven Automation in eCommerce

I think more so than ever, we'll see automation play an even larger role beyond eCommerce and much more into SaaS and lead gen advertisers where the sale isn't black and white.

I think that logic and AI will play a big role, and I'd love to see tools understand the goals of the advertiser and come with recommendations around new **SKAGs**, new audiences, and even **landing page design suggestions**.

There's a large pool of data of best practices that we've found across our 120+ clients that no one seems to take advantage of. So having an "assistant" giving us guidelines based off the goals and prioritizing which optimizations to make will be what I foresee next year giving us. We may even be working on something like that ourselves ;)

Brad Geddes

Co-Founder
AdAlysis

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Humans are Better at PPC Marketing Than Machines

I'm going to make the most unpopular prediction of 2018: We realize machine learning has dramatic limitations and that humans are more necessary in the foreseeable future than anyone predicts.

For example, let's say you forget to pause your holiday ads in January. A human can glance at those ads and realize they shouldn't be running any longer. A machine has to wait for the data to come in to show it those ads aren't doing as well and it could take months (or years for a small account) for the machine to learn those ads are no longer useful and should no longer be displayed.

Human 1. Machine 0.

Next, you create an ad with a very uncompelling offer. The machine looks at the ad and realizes it's the only one; so it suggests variations of the ad with some minor word changes that don't change the root cause of the problem; and the new ads fail to do well. A human comes in, looks at the ad and realizes it's not any good, and just makes a totally new challenger ad. The new ad easily wins and now the computer can make some suggestions based off of the new ad. When it comes to creative ideas; humans win.

Human 2. Machine 0.

Later on, your landing page breaks. Ooops; that's no good. However, it takes a while for anyone to realize it's not working. Your automated bid system doesn't check the page status - it just knows your ROAS has dropped significantly. The machine, as it's supposed to do, keeps lowering your bid until the keyword is no longer on page 1. The human realizes the page is broken and fixes it.

Brad Geddes

The machine doesn't know a change occurred, and since it has no new data (your keyword is on page 2 - no it's basically non-existent) and doesn't raise the bid. The human sees the problem, raises the bid manually, and now the machine can work with the new data. The machine is better at bidding, no question; but it's not good when something breaks.

Human 3. Machine 0.

You're a lead generation site working from a target CPA. You spend all day trying to adjust bids, adjust modifiers, changes to seasonality, managing budget run rates, and the data is so much, no one can do a great job. You give up and just turn on CPA bidding. Wow, that worked. You now have time to get other things done while the machine works with the large number of data points in the background and sets your bids in real time.

Human 3. Machine 1.

Machines are great at a lot of things. However, when the data points are low - humans win. When dramatic changes take place - humans win. When the data is

overwhelming - machines generally win at a macro level and humans usually win at the micro level. Humans are better at strategy and connecting with other humans. Machines are great at pointing a human to the proper place to examine the data (this is why there's a rise in recommendation engine technology within PPC). While the technology will keep getting better; in 2018 we're going to realize that humans are more necessary to PPC management (at least for now) than has been predicted the past few years.

Other predictions:

- Yet more audience targeting options

- The 'unknown' categories within audiences keeps shrinking

- More companies start using attribution management bidding

- Chatbots will see some additional adoption; but it won't be huge in Western markets

- The attribution conversation changes from bidding within a channel to cross channel interaction attribution

- Machine learning will get better and more machine learning and automation features will launch

Anders Hjorth

Digital Marketing Strategist
altima°

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Goliath, David and Privacy Recovery (GDPR)

The big trend makers in 2018 are clearly Privacy, Blockchain and Artificial Intelligence. Obviously, the buzz effect of those three is opposite to their order of importance. Everyone will be buzzing about Artificial Intelligence but we won't see it. We will all have a hard time distinguishing the Algorithm from the Machine Learning and ultimately the Artificial Intelligence. "Artificial Intelligence is like teenage sex…" in 2018.

On the contrary we will see a lot of the blockchain thanks to the buzz on Bitcoin and ICOs (Initial Coin Offering)s allowing new age companies to raise funding quickly and outside the grip of historical regulators. ICOs will have the most important effect on Digital Marketing, as they are strong consumers, but more importantly because the newly funded companies need high paced growth and thus have high impact digital marketing. As the economy is picking up as well, I think we will see strong growth in Digital Marketing consumption - as in 2-digit percentage growth figures.

That said, I foresee a much more important role for the **blockchain** than its role in cryptocurrencies and ICOs. The blockchain is the new promise for the Internet in these bleak times where Net Neutrality has just been trumped in the US. The internet has continuously grown more commercial and some say the "Web started dying in 2014" putting us a far away from the dreams of World Wide Web pioneers.

Anders Hjorth

The blockchain has the potential to power little Davids. An example is Blockstack wanting to overthrow the Goliaths like Google and Facebook and other masters of Cookieland by creating a parallel encrypted Internet where your data is on your own computer. In Europe, Net Neutrality remains and there is also a raising concern about Data Sovereignty. Hence, the GDPR, General Data Protection Regulation taking effect in May 2018 providing more transparency and responsible data behavior.

But this is a 2-edged sword as some digital marketers will push data usage to its extremes while a new trend of data privacy emerges.

The big trend makers in 2018 are clearly Privacy, Blockchain and Artificial Intelligence. Let's hope the dominating trend will be blockchain driving Privacy rather than a trend of Artificial intelligence driving blockchain-based cryptocurrency speculation.

John A. Lee

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A Growing and Unprecedented Amount of Ad Channels, Types and Targeting Capabilities

Last year, I predicted that 2017 would be a growth year for voice search and predictive intelligence. True. And 2018 will see more of that growth. But this isn't my prediction for 2018! As far as I see it, 2018 will be the year that advertisers who have ignored the flourishing digital advertising marketplace will finally wake up. The variety of channels, ad types and targeting capabilities is unprecedented and growing. Too many have had their heads buried in the proverbial sand.

What do I mean? Take a look at 2017 additions Reddit Ads and Quora Ads. These are vibrant, unique internet destinations that have created simple, yet laser-targeted, self-serve advertising platforms. Remember Yahoo Gemini? Yes – they're still kickin'. In 2017 they quietly launched dynamic product ads, carousel ads and more.

What about Amazon – the 800-pound gorilla in the room? Advertisers and budget continue to pour into the self-serve search platform. On display, Amazon is fast becoming a major-player DSP. According to e-Marketer, Amazon's ad business was the 2nd fastest growing of 2017. And get this… according to a ClickZ/Catalyst survey, 2/3 of respondents plan to increase ad spending on Amazon in 2018.

You know the Googles, Bings and Facebooks aren't going to stop innovating in 2018. Amazon is steamrolling their way into the new year, too. The new guys are getting bold in how they build their own ad platforms. 2018 will be the year that advertisers wake up to this variety and truly take advantage… variety is not only the spice of life, but it is integral to digital advertising success.

Aaron Levy

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Smarter Robots and Sponsored Voice Search

My favorite part about doing annual predictions is that I get the opportunity to look at my predictions from the prior year to see how they panned out. In the start of 2017, I predicted an increase in audience-driven search targeting (correct), a sponsored voice product (coming in 2018) and a rise in Bing volume (correct). 2.5 out of 3 correct, not too shabby if I do say so myself.

Looking forward, I think 2018 in SEM will follow the same trends as 2017, but in a MUCH bigger way. The focus on audience will expand beyond just a bid modifier and will look more towards people-based targeting. With this renewed focus on people-based SEM, we'll likely see the tools at our disposal vary a bit from what we know. The shift in tools will present themselves in four different key areas.

1: The Robots Get Smarter

2018 will be the year of (successful) automation from the engines. Google + Bing released a slew of features in 2017 focused on bid and targeting automation – the word smart has become the new enhanced – problem is, most of those features weren't very good. Elite clients saw mixed performance from smart bidding features, lackluster volume from new dynamic search + display campaigns and were often outperformed by traditional bid tools.

Now that the engines have a good hunk of data under their belts, I suspect the tools will improve dramatically in 2018. We won't be at the phase of "set it and forget it" when it comes to SEM, but our focus as marketers will shift dramatically. Take a look at the new AdWords interface for example. Now, try and find the ways it's different from DoubleClick's UI.

If that doesn't paint a clear picture about Google's focus, I don't know what does.

Aaron Levy

2: Feed Me!

With all of this new smart automation, search engines will need to eat as much data as possible. 2018 will feature a slew of new customization options - IF modifiers and ad customizers. Customizers made their debut in 2014 and frankly, haven't really changed much since. The coolest thing that we can do with audiences now is an "If-or-if-not" ad modifier.

Given my first prediction, I predict 2018 will feature a lot of different feed-based ways to port this information into engines. Feed-based DSA's are getting rocking and rolling – why wouldn't feed-based copy be next?

3: Voice Search Becomes a Bigger Thing (but still not a huge one)

The Echo Dot was the top selling product on Amazon during Q4 2017. Like, of ALL the products they sell, from a store who sells everything, that's huge. And we'll likely see a huge bump in voice-based and natural language queries among our target audience. However, most indications thus far show that the lift is more in voice command than voice search. Consumers aren't expecting Alexa/Bixby/Google/Siri to do complex research – they're expecting a quick (and correct) response. It's still yet to be seen how marketing messages will fluidly fit in to screenless, voice-based search. Amazon's been very public about their likely sponsor messages to flow in, however I forecast the initial iterations of the product will be VERY basic, and category focused. Pampers might be able to sponsor every diaper oriented query, but I predict it will be on a share of voice purchase basis vs. a Cost Per…Hear?

Which brings us to prediction 4…

4: New Ad Types

Aside from the sponsored voice queries outlined above, I predict we'll get even more ad types coming into the fray. We've already seen local service packs starting to penetrate markets for things like locksmiths and plumbers – it's only a matter of time before these packages can be sold to all sorts of local businesses. I expect we'll find a LOT of smaller ad packages coming available, which may push traditional SEM out of certain spaces.

If I had to pick the first industry to change, I'd chose jobs/recruiting. Google already has an in-UI product for job hunters and it's only a matter of time before they let advertisers sponsor.

The only constant in SEM is change!

Melissa Mackey

Search Supervisor
Gyro

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Advertisers Will Finally Put Audiences First

2018 will be the year of **the audience**.

In 2017, advertisers finally became comfortable adopting audience targeting on a large scale. We saw previously-reluctant marketers embrace paid social, as well as test the waters of remarketing.

In 2018, advertisers will think audiences first, rather than keywords first. Keywords aren't going away, though – they're still a huge part of the marketing mix. But advertisers will get smarter about where keyword targeting fits in the marketing mix. They'll be setting up remarketing audiences and RLSA campaigns focused on driving users through the funnel.

We're getting closer and closer to 1 to 1 marketing in paid search and social. It's going to be exciting.

Greg Meyers

Founder & CEO
Afterclicks Interactive

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Algorithms Foster Greater Legitimacy Online

2018 will be a **year of the Algorithm**.

There will be unprecedented acquisition and increased filtering of false news and propaganda due to the upcoming U.S. elections.

We will see Amazon make a strong push to take a bigger chunk of the online ad market as well as make significant enhancements to their Sponsored Ad Network.

We will see an increased interest in voice search technologies (conversational, context, etc..) as a way to fact check and filter out the continued barrage of fake news stories.

I also believe 2018 will be a turning point for the legitimacy of how consumers search and how networks present their results.

Marc Poirier

Founder & CEO
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AI Solves the Attribution Problem

Understanding how different marketing channels impact our bottom line is something we need to wrap our heads around. How does Facebook play in the ecosystem really? How does display contribute to our bottom line? What about paid search and SEO? How do all these channels come together so marketers can decide where to attribute their money? The attribution problem is real.

2018 will be the year that we will finally be able to solve the attribution problem by putting machine learning to work. This is especially true for mid-market and smaller advertisers whose budgets aren't at enterprise level.

We have the data and the technology available to make smarter marketing decisions than ever before, regardless of your business size. It's going to be a matter of applying the data science and leveraging AI to properly understand it and get to the bottom of our own marketing story.

Lisa Raehsler

Founder & SEM Strategy Consultant
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SMBs Taking a Swing at Emerging Ad Platforms

In 2018, we will see advertisers, especially SMBs, get **brave** and allocate a higher percentage of their PPC media budgets from Google AdWords to Bing Ads and other social ad outlets. This is not to predict that their spend will **exceed** Google, just that a shift will occur thereby greatly diversifying the average advertisers media strategy. Ad platforms like LinkedIn, Twitter, Pinterest, and Facebook will look like more attractive options for niche audiences who are difficult to capture with accuracy on Google. SMBs who have been hesitant to branch out from the familiar will welcome the advanced targeting and lower CPCs.

A few compelling reasons to shift budget and digital marketing efforts:

Bing Ads has made it a piece of cake to migrate campaigns from AdWords with importing technology and feature adoptions. Given that Bing audiences spend more online than the average Internet user, advertisers will see better CPAs hard to resist if they have not already been using Bing Ads. A much larger percentage of budgets will be allocated to Bing Ads, especially by SMBs.

In-line with the industry trends in audiences development, Linkedin has rolled out company and email contact matching along with a remarketing feature. With the recent acquisition by Microsoft, I predict we will see some great features coming down the pipeline that integrate professional data LinkedIn has not fully leveraged, with Microsoft or Bing Ads data.

Lisa Raehsler

Super-charged targeting will become available for advertisers in the coming year. Pinterest is a very exciting ad newcomer! With 150 million users monthly we're looking at the original platform built for visual searches for product-focused users. For advertisers with a visual or visual related products, Pinterest will be the platform to test and roll out budget to for at least branding and upper funnel efforts.

Exploring, testing, and ultimately investing PPC budgets in new platforms, other than Google, will likely be a strategy to evolve in PPC in 2018.

David Szetela

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Catching Up to AdWords, Bing is Better Than Ever

I've been watching Microsoft for many years, starting long before they had won the wars for dominance in PC operating systems and office applications. Does anyone remember IBM's OS/2? How about the king of spreadsheets VisiCalc, or the once-dominant WordPerfect?

All of them now dinosaurs, relegated to the back pages of Wikipedia. In case after case, Microsoft prevailed by doggedly creating version after version, feature after feature, until they had simply out-developed all competitors.

BingAds started life as Microsoft adCenter in 2004, and on release it was nearly as ugly as Windows 1.0. It was already several generations behind AdWords and Yahoo Search Marketing (the much-heralded Panama version).

But Microsoft has applied its usual software development patience and persistence. Year after year they added functionality that brought BingAds closer and closer to parity with AdWords.

To me 2017 was the year that BingAds finally pulled abreast with AdWords by rolling out new features like ad extensions, RLSAs, and eCPC automated bidding.

I believe 2018 will bring to BingAds more signs that Microsoft is a powerful, determined software developer. For example, Microsoft evangelists like Purna Virji and Christie Olson have been talking a lot in 2017 about technologies like AI, machine learning and voice search.

David Szetela

So I expect to see some pretty radical leaps in BingAds functionality, powered by these technologies. For example, fans of bid automation will see goodies like automatic maximization of conversions, where an algorithm delivers as many conversions as possible for any given budget. Another example of AI-backed functionality will be automated bidding whereby the advertiser sets a target CPA and BingAds delivers as many conversions as possible whose CPA is at or below the target.

BingAds' Opportunities section will undergo a machine-learning fueled facelift. Expect more-precise bid suggestions, and recommendations for Sitelinks, for example.

Another area where BingAds will mature is targetable audiences. Savvy advertisers will get tools to let them hyper-target ads to appear mainly to their target audience with the equivalent of AdWords' Customer Match (the ability to upload first-party data like email lists), In-market Audiences (people who have been determined to be on the verge of taking a converting action like making a purchase) and Similar Audiences – people who share characteristics and behaviors with another audience, say a remarketing list or an email list.

Will Microsoft pull ahead of Google in advertising software? I don't expect to see that in 2018, but there will certainly be some exciting and useful new functionality that will make BingAds even more of a "must use" platform.

2018 Predictions

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AI Redefines What it Means to be a PPC Manager in 2018

The machines were already getting really good at PPC in 2017 but in 2018 they'll start to totally outperform account managers who reject automation and try to do everything manually.

So a key task in 2018 will be to figure out what work to keep doing manually and what to hand off to the machines. Because of exponential improvements in technology driven by Moore's Law and an explosion in the amount of data we have about everything, tasks like bid management and targeting can be done exceedingly well using technology. And this means that account managers who want to remain relevant will need to redefine their work and learn new skillsets to enable them to collaborate with AI rather than compete against it.

Remember, **don't bring a spreadsheet to a Machine Learning fight**. Instead, figure out the human value you bring that complements the technology, and have another great year in PPC!

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ABOUT
ACQUISIO

At Acquisio, a Web.com company, we come to work everyday inspired to help businesses thrive in today's ever-changing digital economy. Our team uses Acquisio Turing™, an award-winning suite of machine learning technology to optimize every size advertising budget.

The Acquisio platform is known for facilitating customer acquisition using ad platforms such as Google AdWords, Facebook Ads, and Bing Ads. As one of the first SaaS companies to apply advanced machine learning technology to advertising, Acquisio's high-frequency optimization algorithms perform nearly 2.5 million campaign adjustments per day for 400+ clients running over 300,000 campaigns.

Acquisio is recognized as being one of the fastest-growing companies in North America, winning the Deloitte Tech Fast 500 and Fast 50 awards for four consecutive years. Acquisio is headquartered in the world-renowned artificial intelligence hub of Montreal, Canada and joined the Web.com family in 2017.

A New Year's resolution you'll actually want to keep.

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