

DIGITAL TRANSFORMATION TRENDS FOR 2021

2021 TRENDS AND PREDICTIONS

Each year, National Positions looks back at the year to determine what digital marketing trends hold the greatest level of opportunity.

Through a combination of data, industry sleuthing, and bootson-the-ground experience, we've compiled our findings so your business can stay ahead of the competition before the New Year's Eve ball drops and 2021 begins.

The year 2020 will most certainly be remembered for the devastating impact the COVID-19 pandemic had on businesses around the world. However, even the worst of storms present unexpected silver linings. As digital marketers, an unprecedented adoption of ecommerce and a massive shift in consumer buying behavior were not only silver linings for us, but also for brands waiting for the "right time" to invest in their digital storefronts.



The opportunities created by these changes are setting 2021 up to be one of the best years yet for online brands. In this eBook, we outline our top predictions, why they are important, and more importantly, how you can practically take advantage of these changes today to fuel your business's growth in 2021.

We have a lot of trends to cover—so we are going to begin with a few "disruptors" that took place in 2020, and then we are off and running with our predictions and trends for 2021!

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TRENDS AND DISRUPTORS FOR 2021

There are 3 overarching trends that are impacting strategies and tactics in 2021.



·····o Omnichannel strategies will drive ROI

Buying decisions continue to become more complex. The customer journey follows unpredictable paths across platforms, devices, and timeframes. The marketers that will succeed are those who show up where their customers congregate. Omnichannel puts your customers first. This complexity leaves marketers to search for a framework like that offered by National Positions to make planning and managing possible. It also means investing in the channels that perform the best and diversifying out of those that underperform.

•••• • Privacy concerns and data availability will become more limited

First it was GDPR, then California introduced CCPA, so expect more states and countries to follow suit. We all use data to make audience targeting, spending, and creative decisions. Depending on cookies will diminish, data usage and transparency will increase, and alternative methods for tracking users will emerge.

....o Al and machine learning continue to dominate search

Google and Facebook especially have pushed users to depend on Smart Bidding, Responsive Search Ads (RSA), and automated audience targeting. Although these efforts have resulted in improved results, they have also created black boxes where it is progressively harder to control outcomes. Expect agencies to focus on creative efforts to drive meaningful results.

TOP 2021 DISRUPTORS

OVERALL PREDICTION #1

Omnichannel strategies will drive ROI

Supporting Statistics

- 64% of people find customer experience more important than price.
- Omnichannel customers spend <u>4% more</u> <u>in-store and 10% more online</u> than singlechannel customers.
- Businesses that adopt omnichannel strategies see <u>91% higher year-over-year</u> customer retention rates compared to businesses that don't.

How It Impacts You in 2021

Research shows that customers value seamless omnichannel service and personalized tools. And they make purchasing decisions based on interactions that give them both. In other words, if you are more "in tune" with your customers, they are more likely to become longtime customers.

- 1. Choose channels based on your ideal customer profile.
- **2.** Create a uniform branding experience across channels.
- **3.** Build checks and balances to ensure each channel is working with and being influenced by each other.

OVERALL PREDICTION #2

Privacy concerns and data availability will become more limited

Supporting Statistics

- Data and privacy concerns are so pressing that Gartner predicts 80% of marketers will "abandon personalization" by 2025.
- 91% of people are concerned about what the data companies can collect on them.
- 12% of consumers say they "get customized assistance from brands."

How It Impacts You in 2021

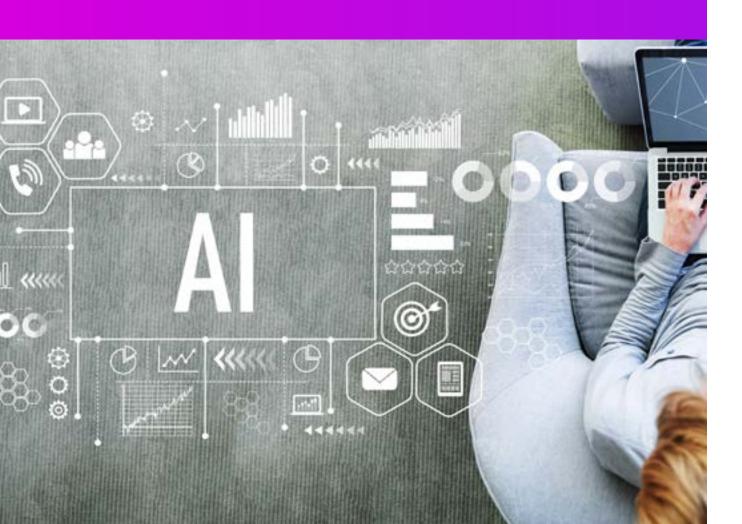
Expect retargeting and personalization to become more difficult and intricate. Brands should expect cookies to be replaced by predictive algorithms, as <u>Google phases out</u> the use of cookies completely.

- **1.** Rethinking how you collect data and leverage customer data for more direct customer nurturing should be a top priority for 2021.
- 2. Implement more stringent data security to protect consumer data and be sure to display these steps publicly on your site to help build trust more rapidly.
- **3.** Embrace alternatives to cookies such as machine learning from Google and Facebook to target customers



OVERALL PREDICTION #3

Al and machine learning to continue to dominate search



Supporting Statistics

- 80% of business and tech leaders say Al already boosts productivity.
- 97% of mobile users are using Al-powered voice assistants.
- In 2020, Google's BERT update leveraging Al affected <u>10% of all search</u>, and this impact will grow in 2021.

How It Impacts You in 2021

Expect retargeting and personalization to become more difficult and intricate. Brands should expect cookies to be replaced by predictive algorithms, as Google phases out the use of cookies completely.

- 1. Focus on creative and selecting audience and leave more of the grunt work up to machines.
- 2. Use AI to better target and segment your audience.
- **3.** Serve targeted personalized ads based on buyer activity and behavior.

SEO TRENDS IN 2021

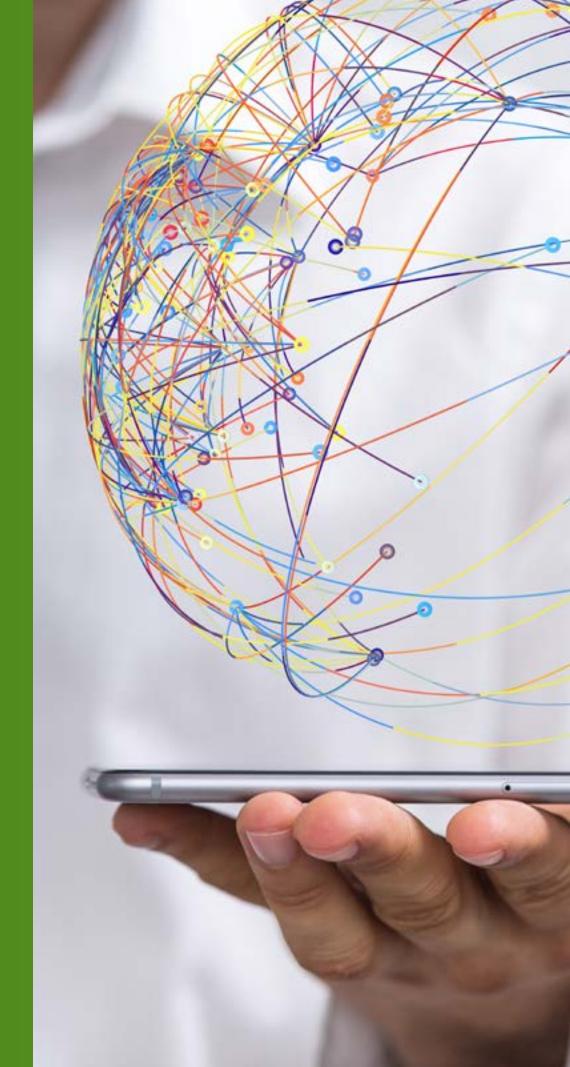
Search engine optimization stands as one of the most vital pathways for commanding attention and driving revenues in the digital ecosystem.

In 2020, SEO saw rapid shifts fueled by algorithm updates from Google and the sudden change in search due to the COVID-19 pandemic.

Between stay-at-home orders, travel restrictions, and supply lines tightening, consumer search changed as individuals attempted to find goods and services in short supply. An estimated 75% of consumers have tried new or competing brands during the 2020 pandemic due to factors like convenience, affordability, and availability. This spells opportunity for emerging brands to gain traction against the competition in 2021.

Voice search continued to gain ground with an estimated 128 million users in 2020, an 11% jump from last year, with a whopping 20% of voice search going to the ordering and delivering of groceries.

With all of these changes, we are expecting more search results serving up video content, rich snippets, and knowledge graphs to account for more contextual searches from customers. In short, as we move into 2021, search engines will continue providing more types of content in the search results—giving brands even more ways to stand out in the market.



SEO TRENDS FOR 2021

SEO PREDICTION #1

Mobile load speed will become a critical usability and ranking factor

Supporting Statistics

- A load time increase from 1 to 10 seconds increases bounce <u>probability by 123%.</u>
- As page elements increased from 600 to 4,000, conversion probability drops by 95%.
- Nearly <u>80% of customers</u> experiencing lagging site performance will lose faith in the brand.

How It Impacts You in 2021

Customers expect to have a lightning fast, friction-free experience, especially when deciding to make a purchase on a mobile device. Discovery and ecommerce purchasing on mobile are only going to grow in 2021, so your site load speeds must be as fast as possible to take advantage.

- **1.** Use <u>Google's PageSpeed Insights Tool</u> to see what is slowing down your site.
- **2.** Eliminate excess elements on your site and make sure all images are compressed.
- **3.** Request a <u>complete technical site analysis</u> from National Positions.

SEO PREDICTION #2

User experience will dominate via Google's **Core Web Vitals update**



Supporting Statistics

- 32% of the customers will abandon their preferred brand after just one bad UX experience.
- A reported <u>53% of mobile users</u> will leave a website in 3 seconds (on average).
- Forrester reports every \$1 invested in UX drives \$100 in returns—a 9,900% ROI.

Taking Action for 2021

- 1. See Google's Core Web Vitals benchmarks you need to hit in 2021. (Forbes)
- 2. Use Google's PageSpeed Insights Tool to see your LCP, FID, and CLS benchmarks.
- 3. Make UX fixes BEFORE April 2021 to avoid potential negative rankings impact.

How It Impacts You in 2021

Brand revenues, profits, and rankings online are directly correlated to an outstanding website UX. Websites that don't invest in better UX and update to the standard of Google's Core Web Vitals in 2021 are going to find it difficult to compete online.



SEO PREDICTION #3

Search relevancy will get smarter via Google's BERT update

Supporting Highlights

- The BERT update focuses on the INTENT of a search query based on contextual phrases.
- BERT now affects nearly <u>100% of all</u> Google search via AI technologies.
- Al algorithms will suppress paid advertising based on search intent.

How It Impacts You in 2021

BERT accounts for intent and semantics in search, so if you are not building content for each part of the customer journey, you will only capture a fraction of customer attention. If your brand focuses on mainly "buying attention," you must update your strategy for 2021.

- **1.** Use topics and subtopics in your content to help BERT understand your context.
- 2. Use intent-based, natural language in your content with questions and answers.
- 3. Use Keyword Planner, BuzzSumo, and SEMrush to find the best context-based queries for your content.

LOCAL SEARCH TRENDS IN 2021

Local search grew in 2020 with more than a billion people using local search each month.

The pandemic drove many new feature changes to Google My Business (GMB), including curbside pickup, support and donation links, updated safety features, telehealth, COVID-19 links, and many more. These enhancements and innovations are expected to accelerate in 2021.

With the dominance and growth of local search information in GMB, we expect that even more web visitors will find what they need on the GMB listings and have less need to click through to local business websites. This trend will make your GMB listing even more valuable.

The big news for local search is Apple's introduction of its own Apple Maps listings. In late 2020, Apple announced its reduced dependency on Foursquare and Yelp as sources of reviews and user photos of restaurants, bars, stores, and other points of interest. That means that many businesses will be able to get in on the ground floor with Apple's own listings service.

The Google My Business 3-pack and Google Maps continue to dominate even more local search results. Google continues to experiment with ways to monetize GMB. For instance, a green checkmark with the "GOOGLE GUARANTEED" text in all caps has been showing up in both the 3-pack and Google Maps. This badge is available for \$50 per month for some listing categories and has been proven to increase clickthrough rates.



LOCAL SEARCH PREDICTION #1

Google will accelerate monetization of GMB

Supporting Statistics

- 84% of consumers find a business by exploring Google Maps.
- The average business gets
 <u>40 to 50 customer actions</u>
 per month from their Google
 My Business profile.
- <u>56% of customers</u> viewing your GMB will also click to visit your website.

How It Impacts You in 2021

Expect early adopters to see great gains by embracing these changes, but be prepared to pay-to-play.

Taking Action for 2021

- **1.** Be first to embrace some of Google's new features.
- **2.** Keep your profile up to date, including hours of operation and reviews.
- **3.** Publish FAQs and keep your posts fresh.



LOCAL SEARCH PREDICTION #2

Apple will seriously introduce its own local listings and review system on iOS

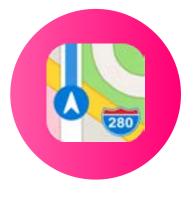
Supporting Statistics

Apple Maps is now used 3 times as often as its "next leading competitor" on iPhone and iPad, with more than 5 billion maprelated requests every week according to 9 to 5 mac.

How It Impacts You in 2021

Imagine if you could roll back the clock and be one of the first companies to list on Google My Business or Yelp. Well, we predict you will be with Apple Maps in 2021.

- Click on your location in Apple Maps and upload photos, hours of operation, and other information that can help your listing to stand out on iOS.
- **2.** Get your customers to provide a thumbs up and recommend your business.



Google My Business will make websites even less relevant

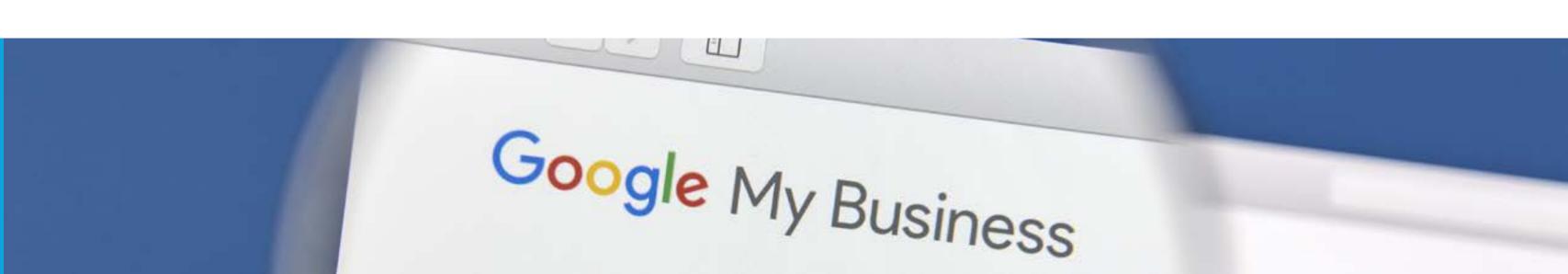
Supporting Statistics

- The average business is found in 1,009 searches per month, where only 16% is direct searches. Hence, 157 are the direct searches and 852 discovery searches every month.
- By the end of 2018, direct searches grew by 38%, while GMB listings grew from website clicks by 29%. When compared to the GMB insights from 2017 to 2018, discovery searches grew by 6%. The business received 22% more calls in 2018.

How It Impacts You in 2021

As GMB results become more detailed and show up on even more local search results, it is more important than ever to make sure that you dominate the GMB and Google Maps space.

- 1. Think of GMB as your second website.
- 2. Make sure that your profile is as complete as possible.
- **3.** Focus on capturing and listing as many reviews as possible.
- **4.** When new Google features are added to GMB, be the first to embrace them.



PPC ADVERTISING TRENDS IN 2021

As AI becomes core to Google Ads, it has shifted from data transparency to becoming a black box where data is harder to come by.

The flip side is that despite the reduced visibility, automation technologies have resulted in good improvements for almost all advertisers.

In 2021, expect to have even less access to ad data. This means that the role of the marketer will have to change. The ad team will have to focus on areas of the campaign that are not well suited to machine learning and AI, namely targeting the right audiences and understanding what they care about, how they spend their time online, and the customer journey. Those who will thrive will tap into the creative areas of landing page development and ad creative and leave number crunching up to machines that can outperform humans.

Machine learning needs data and much of the most valuable data you own offline. This includes information about who your best customers are, what they have purchased, where they are located, etc. Imagine if you could feed that data back to the Google or Microsoft algorithm so they could provide you more of your best customers. Now you can, and we predict that the companies that embrace this technology called Offline Conversion Tracking (OCT) will significantly outperform their competitors in 2021.



PPC PREDICTION #1

PPC to become more of a black box

Supporting Statistics

- 84% of marketers surveyed reported that machine learning is speeding up PPC work.
- Using Maximize Conversions can improve CPC by 426% vs. manual configuration.
- 86% of total digital display ad spending in 2021 is projected to be programmatic adverti`sing.

How It Impacts You in 2021

Expect your results to improve as you cede control to big data and machine learning.

Taking Action for 2021

1. Rather than focus on the loss of data and control we should embrace this change by being better at controlling what we can control, such as audience selection, ad copy, landing pages, and video creative.

PPC PREDICTION #2

PPC automation to continue to grow

Supporting Statistics

- In a comparative test, RSAs delivered better CTR vs. expanded text ads (ETAs) across the board, with few exceptions
- "On average, our advertisers have seen an increase of 10% in volume, 6% in CVR, and a decrease of 7% in CPA."

How It Impacts You in 2021

Use automation to save time while using human creativity to leverage these systems to gain an edge over your competitors.

Taking Action for 2021

1. If you want greater success in your PPC efforts, get familiar with how these automations work and embrace these to improve your overall ROI.

PPC PREDICTION #3

Your data will give you the competitive edge

Supporting Statistics

- Integrating data across the lead journey will increase incremental revenue by 20%.
- 70% of lead gen marketers cite improving the quality of leads as their most important objective.
- Marketers see a <u>30% cost efficiency</u> when they integrate data.

How It Impacts You in 2021

Combining offline and online data will give you a competitive advantage by feeding your ad platform with the data it needs to make better 'decisions' around targeting, traffic, leads, and sales.

Taking Action for 2021

1. Begin by tracking all phone calls and offline data in such a way that you can import the information into Google and Microsoft ads to improve performance.

SOCIAL MEDIA ADVERTISING TRENDS IN 2021

Social media advertising continued its domination in 2020—however, this year's upward momentum was fueled by more than the desire for clicks.

Data indicates that over 65% of consumers agree that a brand's social media messaging influences their decision to purchase products or services from any particular brand. Furthermore, nearly 30% make purchases based on products they discovered on social media, and nearly 75% of buyers visit a brand's social profile before completing a purchase. In short, social influence is a powerful force.

Brands have also taken notice. The global social media spend inflated over 56% in Q3 of 2020 largely driven by the ecommerce shift, with over 60% of consumers reporting that they are shopping more online due to the pandemic. With the rapid shift to ecommerce purchasing in 2020 and nearly 40% of customers discovering and trying out new brands, businesses online are battling it out for attention and market share.

A final factor that is impacting brands' advertising activity, investment, and overall messaging is the influence of "cancel culture." An especially polarizing political year, along with 47% of consumers indicating the desire for brands to take a stance on social activism causes, has lead to a precarious year when it comes to social sensitivity within advertising content. A trend that will likely continue into 2021.



SOCIAL MEDIA AD PREDICTION #1

Social media ecommerce profitability is primed for growth

Supporting Statistics

- The number of unique (new) ecommerce shoppers grew by 40% in 2020.
- Only <u>24% of consumers</u> report an urgency to return to retail shopping post-pandemic.
- A reported <u>43% of consumers</u> use social media to research brands and products.



How It Impacts You in 2021

From awareness and discovery to consideration and purchase, social media's impact is very real. As a brand and business, it's vital to invest in social media to drive attention and remarket to customers along the customer journey. Social platforms are only going to expand purchasing capabilities, so brands need to prepare accordingly.

- **1.** Use <u>Facebook Shops</u> to make sure you are using every tool available and visit our blog to set up your <u>Facebook Store</u>.
- **2.** Get familiar with <u>Facebook Audience</u> <u>Insights</u> to build highly targeted audiences for your campaigns.
- **3.** Request a full social media profit analysis from <u>National Positions</u>.

SOCIAL MEDIA AD PREDICTION #2

Facebook will continue to enhance creative design options

Supporting Updates & Announcements

- Facebook is eliminating their <u>20% text overlay rule</u> that previously limited ad creative messaging capabilities.
- Facebook has added several <u>new call-to-action options</u> catering to different conversion goals.
- Facebook is quietly testing email marketing tools with beta groups as of mid-2020.

How It Impacts You in 2021

Facebook is an advertising force to be reckoned with in 2021 as they rapidly expand their capabilities. Facebook is aiming to make their platform more valuable for brands far beyond the awareness and discovery part of the customer journey. All brands need to take another look at Facebook in 2021.



- 1. Use this guide from Facebook to set up your business page (required for ads).
- 2. Check out our blog post on higher converting Facebook Ad campaigns.
- 3. Running campaigns? Start refreshing your creatives with <u>new design options</u> and use Facebook's machine learning to pick winners faster!



SOCIAL MEDIA AD PREDICTION #3

TikTok's sleeping ad giant will awaken

Supporting Statistics

- TikTok's revenues are expected to reach 500M by the end of 2020, shattering a previous prediction of 300M. (USA)
- TikTok was the #1 app downloaded in 2020, and it is now the 6th largest social platform in the world.
- Monthly active users on TikTok grew from 680M in 2018 to 850M as of September 2020.

Taking Action for 2021

- **1.** Start by setting up your <u>ads account on TikTok</u> and familiarize yourself with the platform.
- **2.** TikTok is a 100% video-based platform (vertical videos). Use tools like <u>Canva</u> to simplify your video creation.
- **3.** Make sure you stick to <u>TikTok's video</u> ad specs to save yourself editing headaches down the road.

How It Impacts You in 2021

Brands need to realize that TikTok is posed for the greatest rapid growth in social media history. Their very recent opening of advertising capabilities presents an amazing opportunity to reach younger audiences, with a reported 41% of users being 16-24 years old. If your brand's market trend younger, TikTok is your #1 opportunity.

ORGANIC SOCIAL MEDIA TRENDS IN 2021

While social media influence on purchasing behavior is hardly anything new, the influx of attention social media captured in 2020 drove changes in both brand and consumer behaviors. As the reality of the COVID-19 pandemic set in, state stay-at-home mandates became a reality, and workplaces shifted from the office to the home, social media usage began to shift as well.

Data shows that across nearly every demographic over the age of 18, social media usage has increased between <u>46% and 51%</u>. In fact, on Facebook alone, daily usage numbers skyrocketed from roughly 1 minute per day (for the average adult) to over <u>34 minutes per day!</u> It has also been reported that <u>25% of heavy social media users</u> don't intent to lower their usage even after the fears surrounding the pandemic subside.

As time on platforms increased so did the use of various social tools like messenger, live video, and groups. But increased use was not only on Facebook. An estimated <u>65% of users</u> spent more time on YouTube, and TikTok downloads swelled to 2 billion, gaining 315 million users in Q1 of 2020 alone—a 58% (YoY) increase!

With all of this attention flooding social media, brands quickly updated their messaging to provide transparency and be sensitive to public sentiment. And with 65% of consumers showing interest in brand videos, as well as virtual experiences, brands are rapidly integrating more live content and "stories" content—a move that will likely sustain long into 2021 and beyond.



SOCIAL MEDIA PREDICTION #1

Cancel culture will continue to affect social brand messaging

Supporting Statistics

64%

of consumers will purchase from or boycott a brand due to its position on a political or social issue.

47%

of consumers indicate a desire for brands to take a stance on social activism causes.

90%

of consumers report brand authenticity to be a key factor in making a purchase.

How It Impacts You in 2021

It is clear that customers are expecting brands to hold and express transparent values now more than ever. So while expressing these ideas on social may be ideal for speed, brands need to be hypercritical of how far to push their messaging to avoid possible backlash in 2021.

- **1.** Be authentic. If you choose to highlight a specific social or political cause, be sure it aligns with your brand values.
- **2.** Build in PR plans. Make sure you have a strategy ready just in case your brand finds itself in (accidental) hot water.
- **3.** If it is just not worth the risk, keep your messaging focused on your brand. Better safe than sorry.



Brands will embrace platform-specific, "bite-sized" video and stories formats

Supporting Statistics

- Video content generates the highest levels of engagement at nearly 14%
- Native videos on Facebook have 10X greater organic reach than linked videos.
- 70% of Instagram users watch 15-sec. video "stories" daily, and TikTok is 100% built on short, snackable video content.

How It Impacts You in 2021

The popularity of video content is nothing new, but the format and placement of video content continues to evolve. For video on social in 2021, focus on creating shorter videos in higher quantities to tell your brand story. Focus on creating stories content regularly to see what resonates with your audience.

- **1.** Get comfortable using your phone as your production studio for bitesized stories content.
- **2.** Break longer videos down into several smaller videos for social media posting and test the viewing results.
- **3.** Use Instagram Insights and Facebook Analytics to see what video content connecting with your audience.



SOCIAL MEDIA PREDICTION #3

Facebook Business Suite and Shops will drive customer journey actions

Supporting Statistics

- Facebook Business Suite provides crossapp management for faster messaging and engagement (FB & IG).
- Facebook Shops let customers purchase directly from the platform, in essence flattening the customer journey.
- With 81% of customers purchasing based on trust, these tools can help brands connect and build trust faster.

How It Impacts You in 2021

Audience engagement is a huge factor in building brand trust on social—not just posting content. Brands that take advantage of Facebook's updates will be able to save time, build trust, and sell their products faster in 2021.

- **1.** Follow our step-by-step instructions for creating your Facebook Shop for 2021.
- **2.** Get started with Facebook Business Suite by using these step-by-step instructions.
- **3.** National Positions is available for complimentary social profile profitability audits to help you prepare for 2021.

CONVERSION RATE OPTIMIZATION TRENDS IN 2021

Conversion will become the true measurement of marketing success of every strategy and tactic in 2021!

Does your content inspire site visitors to take action? Do your landing pages make prospects fill out that form? Will your email strike a chord and make the recipient contact you for an appointment? From micro conversions, like a video view, to macro conversions, like completing a purchase, everything needs to be measured to see if customers are converting upon the goals you have set.

The year 2020 showed us how quickly business online can change. Entire customer journeys have shifted to the digital landscape, from discovery to advocacy measuring and testing conversion touchpoints now need to be baked in to every step of the journey in 2021.

In short, conversion will change from a simple metric of measurement into standalone conversion rate optimization strategies that are driven by customer-action data. In this world of rigorous conversion testing, everything has a goal, purpose, and measure of success. In 2021, conversion rate optimization (and testing) never ends.



All the attention in the world means nothing for a brand if it doesn't convert into profitable revenues.

CONVERSION PREDICTION #1

Customer journey experience will go mainstream

Supporting Statistics

- 97% of customers are using search engines to find local businesses.
- 86% of customers are willing to pay MORE for an outstanding customer experience.
- Over 30% of consumers report they will abandon a brand after one bad experience.

How It Impacts You in 2021

For 2021, brands need to realize the majority of the entire customer journey will play out online. Therefore, each step from awareness to advocacy will need to have goals to determine its effectiveness. Any part that is left out or forgotten will impact overall profitability.

- 1. Use technology like <u>National Positions</u>
 <u>Conversion Growth Pack</u> or <u>Hotjar</u> to
 understand why web visitors are not
 converting.
- 2. Use <u>Google Analytics</u> to understand what content is helping or harming your website conversion.
- 3. Request a complete marketing conversion analysis report from National Positions.

CONVERSION PREDICTION #2

Personalized conversion strategies along the customer journey will be standard

Supporting Statistics

- Over 90% of customers prefer to buy from brands with personalized offers and recommendations.
- 80% of frequent shoppers report only buying from brands offering a personalized experience.
- Over <u>70% of consumers</u> report feeling annoyed or frustrated by an impersonal shopping experience.

How It Impacts You in 2021

Personalization is no longer an option in 2021. Brands that are willing to leverage more data sets to personalize the experience for their customers will not only see greater conversion, but also higher customer lifetime values.

- 1. Implement personalized remarketing/ retargeting campaigns to re-engage warmer customers.
- 2. Use <u>marketing automation</u> to provide personalized and relevant offers to your customers.
- 3. Use omnichannel strategies to account for every <u>customer</u> <u>journey touchpoin</u>t primed for personalization.

CONVERSION PREDICTION #3

Mobile conversion optimization will be the priority

Supporting Statistics

- Nearly 60% of customers will not recommend a brand with a poorly designed mobile website.
- The nearly 50% "mobile gap" (mobile vs. desktop) buying comes from user experience issues that diminish trust.
- Nearly 70% of customers prefer to research a product on their phone over speaking to an in-store employee.

How It Impacts You in 2021

Mobile holds vast amounts of opportunity for brands that invest in elevating their mobile user experience. Mobile UX issues like navigation, payment options, bad product info, and security are all contributing factors to mobile conversion.

- **1.** Make sure your website is primed for a mobile-first user experience, from navigation to checkout.
- **2.** Choose the <u>right ecommerce platform</u> for your site to provide a trustworthy and frictionless buying experience.
- **3.** Request a <u>mobile conversion analysis</u> from National Positions as part of your 2021 conversion strategy preparation.



MARKETING AUTOMATION TRENDS IN 2021 As we move into 2021, marketers will shift their

As we move into 2021, marketers will shift their budgets to where they get the best ROI.

Email marketing has and continues to consistently outperform other digital marketing channels.
According to Dun & Bradstreet, marketing automation was the second-highest technology investment for B2B marketers in 2020, and we expect that trend to continue into 2021.

Thanks to AI and machine learning, we predict that marketing automation will help fuel a new level of personalization previously not seen. Based on ever more sophisticated software platforms, marketing automation will use big data to take into account the stage of the customer journey and ensure that each user gets a personalized message that is delivered at just the right time to meet their needs.

Chatbots, or conversational marketing, is another aspect of a marketing automation platform that we predict will grow in sophistication and usage over the next year. Chatbots fueled by Al will provide a level of customer experience that will become more human-like, to the point where it will be hard to determine whether you are interacting with a person or a machine.



MARKETING AUTOMATION PREDICTION #1

Marketing automation to grow in popularity as budgets tighten

Supporting Statistics

- Marketing automation is a \$7.25 billion industry and expected to grow 20% or more annually.
- 76% of marketers see a positive ROI within a year from marketing automation.
- <u>58% of marketers</u> use automation software to upsell products.
- <u>75% of email revenue</u> is generated from personalized campaigns.

How It Impacts You in 2021

As budgets and resources tighten in 2021, enhanced AI included in marketing automation platforms can help to nurture long sales cycles (B2B) and be used for remarketing to existing customers (B2B and B2C).

- **1.** Apply marketing automation into every part of the customer journey.
- **2.** Use everything from lead scoring to behavior-based email campaign tracking.
- **3.** Automated workflows and triggers can reduce costs while boosting effectiveness and overall marketing ROI.

Al-based chatbots will grow smarter and be indistinguishable from humans

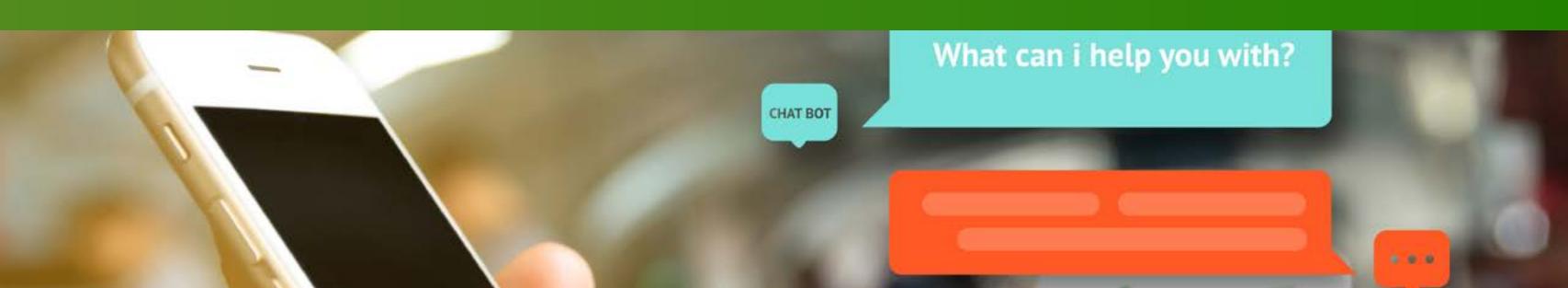
Supporting Statistics

- Chatbots can cut operational costs by up to 30%.
- 85% of customer interaction will be chatbot technology by 2021.
- <u>64% of internet users</u> say 24-hour service is the best feature of chatbots.

How It Impacts You in 2021

Chatbot technology in 2021 will go far beyond the "chat boxes" most of us remember. Chatbots can now be personalized, programmed with Q&As, handle service requests, set up appointments— basically taking care of all those repetitive tasks. Best of all, this tech is very affordable and stays on 24/7!

- **1.** Prioritize what you need in a chatbot with the most repetitive customer questions and requests. Start there.
- **2.** Make sure to name your chatbot. This will make it easier for customers to connect and engage with your chatbot.
- **3.** Make sure you program internal alerts for urgent needs or booking requests so you never miss an opportunity to impress a client!



personalizatio)

MARKETING AUTOMATION PREDICTION #3

Deeper personalization capabilities will drive higher cross-channel ROI in 2021

Supporting Statistics

- 90% of consumers find personalization appealing.
- 54% of U.S. consumers are interested in mobile shopping recs based on purchase history.
- Dynamic email campaigns are the #1 "most effective personalization tactic" in the United States.

How It Impacts You in 2021

Deeper personalization will become increasingly more important for commanding attention. Personalization can lead to higher conversion and better ROI as users become more engaged with your brand. Leveraging one-to-one messages at the right time and place will help you differentiate yourself from your competition.

- **1.** Set up personalized email based on user behavior.
- **2.** Use dynamic content based on the user's stage in the customer journey.
- 3. Personalize content on your site based on user interaction on your site.
- **4.** Personalize forms based on the user.

VIDEO MARKETING TRENDS IN 2021

Video drives everything in marketing, but 2020 brought even more opportunity (and challenges) when it came to leveraging video content. Like every other form of marketing, the positioning and type of video needed to adjust to connect to people's new reality under the pandemic.

The once standard images of family and friends gathering, nights in the city, and other social normalities would do more to alienate customers than connect with them. The whole industry had to adapt overnight because a huge opportunity was right around the corner.

With parents, office employees, and children spending the majority of time at home, the demand for video content exploded. At times YouTube viewership jumped by 500%! Searches for how-to videos on subjects like cooking, meditation, and working out grew between 55% and 200%. And this attention is over and above increased time being spent on streaming services like Netflix, Disney Plus, and even Twitch.

We are also seeing more organic video results in Google search, meaning that video content must contain the proper video SEO (VSEO) to be found faster. YouTube has also released several updates for advertisers which has helped fuel record advertising activity that is up 32% as of O3 2020.

All eyes are on video, and in 2021, brands need to get serious about investing in video marketing on YouTube, Facebook, Instagram, TikTok, and other OTT streaming platforms.



Formats and ad capabilities will continue to evolve

Supporting Statistics

- Google has aimed to drive more customer actions on YouTube via <u>TrueView for action campaign</u> updates.
- In-stream ads on Facebook have been shown to hit completion rates of 70%.
- Vertical social video ads are shown to have <u>90% higher completion</u> rates than horizontal videos.

How It Impacts You in 2021

Ad video formats follow the psychology of customers and how they use their mobile devices. With mobile purchasing power growing every year, brands need to use these updated formats like TrueView, in-stream, and vertical video to inspire more buyer actions.

- **1.** Build video ads in horizontal, square, and vertical formats and test on all platforms.
- **2.** Think beyond awareness! Give viewers actions to take and ways to purchase on the spot to drive them down the funnel.
- **3.** Just Starting? Use platforms like Canva or InVideo to simplify your video creation.



VIDEO MARKETING PREDICTION #2

Video communication, webinars, and virtual events will expand

Supporting Statistics

- The virtual events industry is expected to grow from \$78B to over \$770B over the next 10 years!
- Data shows that <u>75% of marketers</u> report webinars have been a force for driving more lead traffic in 2020.
- Zoom's video conferencing platform is expected to more than triple its users in Q1 of 2021.

How It Impacts You in 2021

The impact of 2020's COVID-19 pandemic is going to have lasting effects in limiting face-to-face and networking interactions. Brands that adopt video and virtual-based interactions will be able to "close the gap" with customers faster and at higher rates.

- **1.** Focus primarily on video meetings to build client relationships faster.
- **2.** For B2B, especially, create regular virtual events and/or webinars.
- 3. Stick to common platforms like <u>Google Hangouts</u> and <u>Zoom</u> that customers are more familiar with—it reduces friction.





VIDEO MARKETING PREDICTION #3

Brands will pivot into "snackable" video in higher volumes—adapting to changing consumer tastes

Supporting Statistics

- Over 60% of customers claim videos as purchase inspiration.
- 86% of customers actually want to see MORE video content from brands.
- The majority of Millennials, Gen Xers, and Baby Boomers prefer short-form video content.

How It Impacts You in 2021

The best type of video for your brand comes down to the audience and platform. Brands that can produce more shorter videos faster are going to move ahead of the competition. And don't worry about perfection, a high production video barely broke the customer needs top ten list.

- 1. Repurpose/edit videos you already have from single long-form videos into smaller bite-sized videos.
- 2. When sharing videos to social platforms, upload natively rather than linking them—this will improve video reach.
- **3.** Most phones today take fantastic video footage, so forget the polish and perfection—focus on the message!

AMAZON TRENDS IN 2021

There is nothing bigger than Amazon in ecommerce, and our first prediction is that Amazon will continue to dominate ecommerce in 2021. Our prediction is based on Amazon's continued penetration of the Boomer market, many of whom were forced online during COVID-19. In fact, according to Search Engine Journal, Amazon is now the third biggest search engine in the world after Google and YouTube.

Our second prediction is around Amazon's focus on growing their ad revenue. It is estimated that Amazon attracts around 4% of total ad revenue in the United States. We predict that Amazon will find ways to grow this lucrative part of their business. Amazon introduced a number of creative ways for sellers to advertise their products in 2020—examples include video in Sponsored Brands, Brand Stories, Amazon Posts (in beta), OTT, etc. We predict that this trend will accelerate in 2021.

Our third prediction is around the collection of Amazon reviews. Amazon is making it progressively harder for sellers to reach buyers for reviews through the Amazon platform, and we believe that this will become even harder in 2021. This will result in brands finding more creative ways outside Amazon to get reviews. Currently, Facebook bots have been successfully used by brands to generate Amazon reviews, and we expect that this trend will extend out to WhatsApp as well.



Amazon will continue to grow and dominate ecommerce

Supporting Statistics

- Amazon reigns the US ecommerce industry with about 50% market share.
- Amazon holds over 80% of market share across electronics, home and kitchen, apparel, beauty and personal care, and mobile and accessories.
- Amazon is now the #1 platform for product searches.
- On average, U.S.-based SMBs sell more than 4,000 items per minute.

How It Impacts You in 2021

If you have an ecommerce presence on the web, it is hard to ignore the dominance and market share of Amazon. Despite Amazon's challenges, massive competition, high fees, and strict standards, it is by far the single biggest market for most ecommerce vendors today.

- 1. If you haven't taken the leap yet for selling on Amazon, start here to get yourself set up.
- 2. Consider using product data feeds to simplify your product listings at scale.
- 3. Finally, make sure to set up your Amazon Brand Page to put your best foot forward on the platform.

Amazon will offer sellers additional creative ways to promote products on its platform

Supporting Statistics

- Amazon is the most popular shopping app in the United States with <u>150.6</u> <u>million</u> mobile users.
- Amazon ad revenue jumped <u>51% to \$5.4B</u> in Q3 of 2020, compared to the prior year, as brands battle for attention.
- Amazon's ad revenues are predicted to grow 470% by 2023.

How It Impacts You in 2021

Amazon introduced a number of new ad formats—video in sponsored brands, brand stories for A+ content, Amazon posts—and we predict that Amazon will introduce even more in 2021. More ad opportunities mean new metrics are required to track and identify opportunities for growth.

- 1. Be the first to take advantage of the many new ad opportunities on Amazon to beat out the competition and find cheaper, more innovative ways to grow your brand.
- 2. Brands will need to be where their customers are in 2021, and 2020 has proved that more customers than ever are using Amazon. Time to get going!



Amazon will tighten its grip on Buyer-Seller messaging service and it will be harder to get reviews

Supporting Statistics

- Nearly 94% of shoppers on Amazon trust reviews.
- 89% of buyers say they're more likely to buy products from Amazon than other ecommerce sites.
- 95% of customers read reviews before making a purchase, and 72% WILL NOT buy until they have read a review.

How It Impacts You in 2021

Acquiring reviews on the Amazon platform will get harder as Amazon claps down on communication with buyers. Brands must be diligent in gathering reviews before the process gets more difficult.

- 1. Brands should focus on building trust with their audience by providing high-quality products.
- 2. Use automation to encourage buyers to leave reviews.
- 3. Move reviews management off of Amazon and on to Facebook through private messaging and chatbots.



CONCLUSION AND NEXT STEPS

The effects of COVID-19 will be felt deep into 2021 and beyond. The impact of the pandemic will drive more competition online, but it also offers incredible opportunities as the online marketplace continues to grow.

How will your brand thrive in 2021? By embracing change.

Every change in the digital marketplace—from ad capabilities and automation to changes in customers tastes and purchasing preferences—presents a new opportunity. Our goal has been to pull back the digital curtain so you can see all the opportunity there is for your brand in 2021.

Jumpstart 2021 With Your Complimentary Strategy Session

You need to be ready for 2021 and National Positions is providing every reader of this eBook a complimentary "2021 Strategic Jumpstart" session with our team. During your session, which includes our proprietary National Positions GRACE Framework, we will unpack your needs, goals and opportunities, and formulate a plan of action for 2020!

To get started, please reach out now to one of our consultants. Thank you for reading and all the best for 2021!



NATIONAL POSITIONS' 2021 TRENDS AND PREDICTIONS

For 16 years National Positions has been at the forefront of driving digital transformations for brands worldwide. Our data driven, conversion-first strategies and proprietary marketing frameworks have fueled results across every industry – and we can do the same for you. We look forward to helping your business reach new heights in 2021 and beyond.







