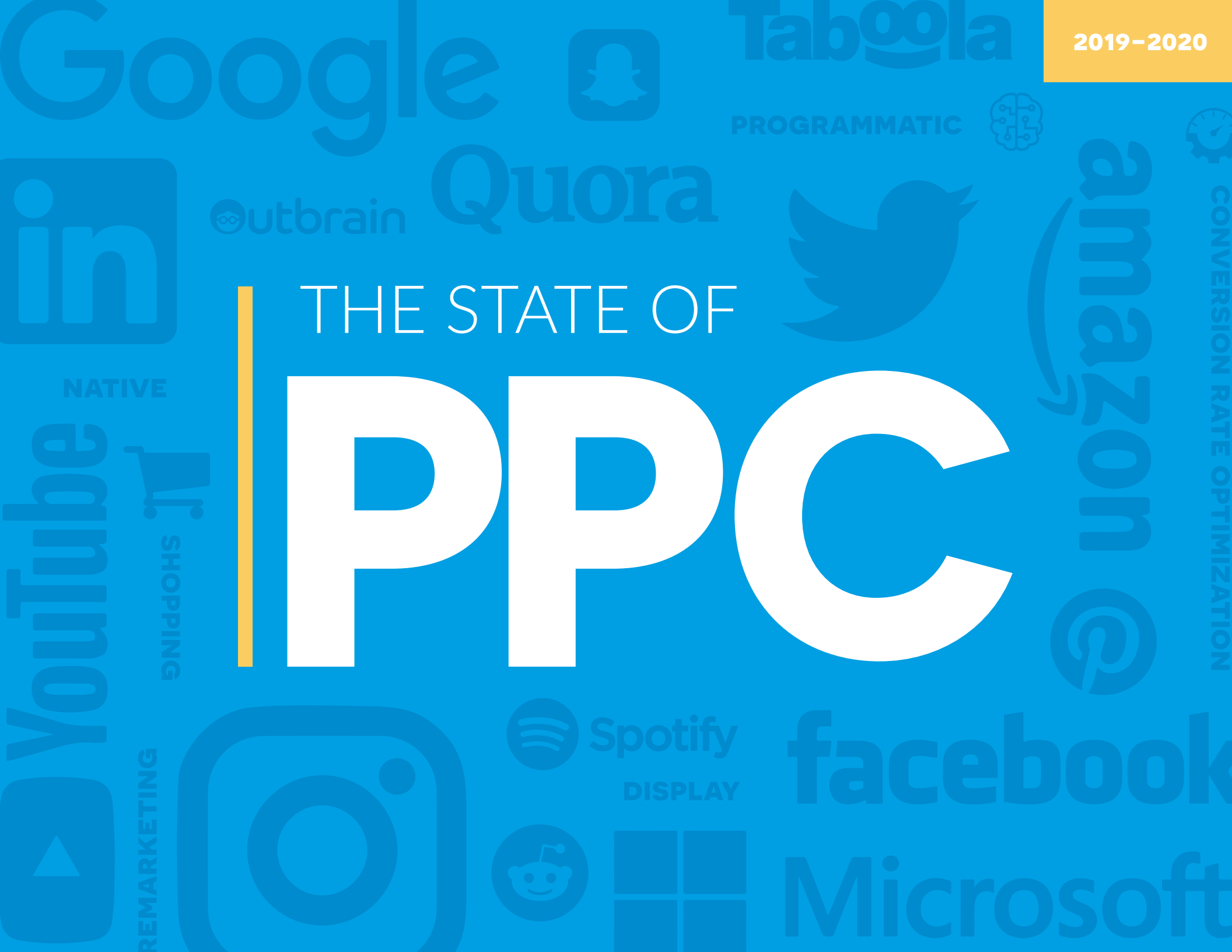# THE STATE OF
PPC

ABOUT THE DATA

While the majority of data from this report will come from the State of PPC, multiple surveys were conducted over a 3 month period (May 2019 - July 2019) that resulted in responses from 910 marketing professionals. The surveys conducted included:

- State of Paid Social survey (273 responses)
- State of PPC survey (527 responses)
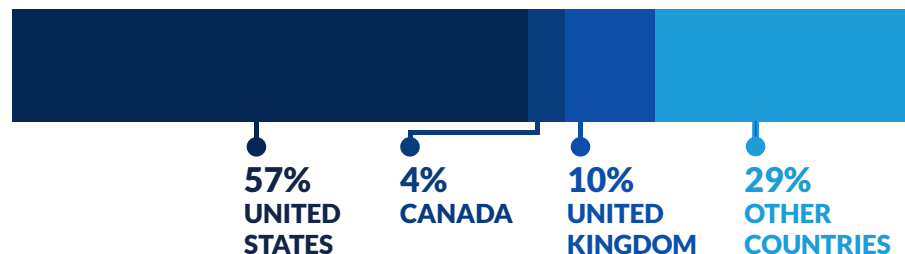- Machine Learning survey (110 responses)

The surveys were sent to our own community of marketers, publicly posted on all social media platforms and our blog PPC Hero, and were also sent out to partner audiences. All data collected was anonymous. The surveys were built with feedback from our internal Brainlabs team and key influencers in the digital marketing community.

*Unless noted, the data reported on will be derived from The State of PPC survey respondents.
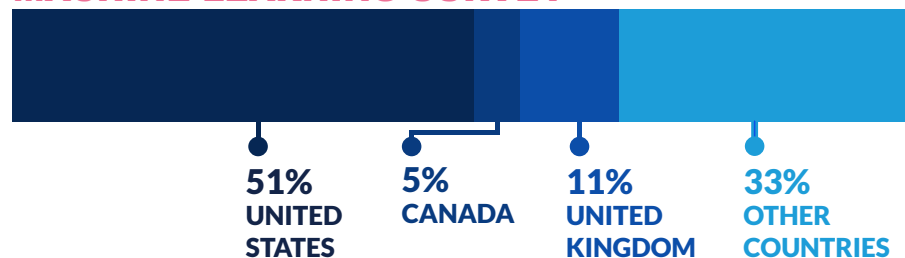
GEOGRAPHIC BREAKDOWN OF EACH SURVEY

THE STATE OF PPC

| 57% UNITED STATES | 4% CANADA | 10% UNITED KINGDOM | 29% OTHER COUNTRIES |

MACHINE LEARNING SURVEY

| 51% UNITED STATES | 5% CANADA | 11% UNITED KINGDOM | 33% OTHER COUNTRIES |

THE STATE OF PAID SOCIAL

| 56% UNITED STATES | 7% CANADA | 9% UNITED KINGDOM | 28% OTHER COUNTRIES |
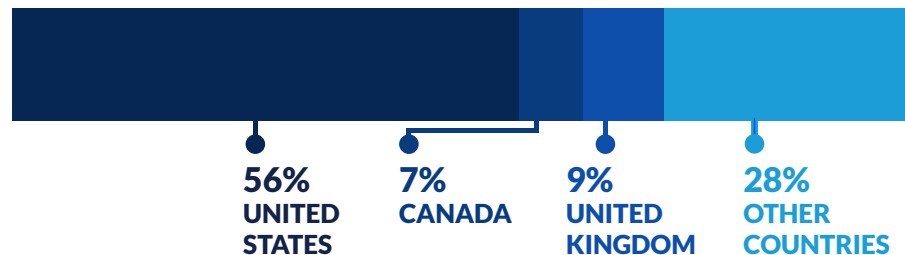
DIVERSITY WITH A MULTI-TOUCH VIEW IS THE WINNING COMBINATION

The average consumer journey is more complex than ever. Between search, social, programmatic, video, display, content, email, PR, podcasts, and everything else in between, users are interacting with your brand in a multitude of ways. This also means that while search is still a powerhouse in its own right, the winning combination is when you understand how all your channels work together and optimize one channel with another channel's growth in mind.

The role of a digital marketer is more than reporting or optimizing one channel now. Not only must you be able to see the bigger picture of how everything works together, you must also be able to mold it into a compelling story so that your boss or client understands what strategies are working, what's not working, and how it all impacts the bottom line of the business.

With the State of PPC, Brainlab's annual report on the paid media industry, we dive deep to see how budgets are being invested, what ad formats are effective, what trends are influential in the industry, and what marketers are worrying about. The report serves as a resource, guide, and predictive analysis of the industry's general attitude, plans, and outlook for the next year.

ABOUT THIS REPORT (CONT.)

This year, we had over 500 marketing professionals — including influencers and decision makers from a variety of brands and digital marketing agencies — complete the State of PPC survey and collectively reach some very clear conclusions, including:

- PPC's role in marketing is particularly impactful for brands; **74% say that PPC is a huge driver for their business.**

- **Podcast ads are a big opportunity for marketers**; while over 50% of the U.S. population is listening to podcasts, only 4% of marketers are advertising in the channel.

- **Audience Targeting** was seen as the most important aspect of the digital marketing industry over the last 12 months among both brands and agencies.

- The **majority of marketers** are using machine learning capabilities and features for bidding.

Keep reading for the most comprehensive statistical breakdown of the digital ad industry to date — and draw your own conclusions about where we're headed.
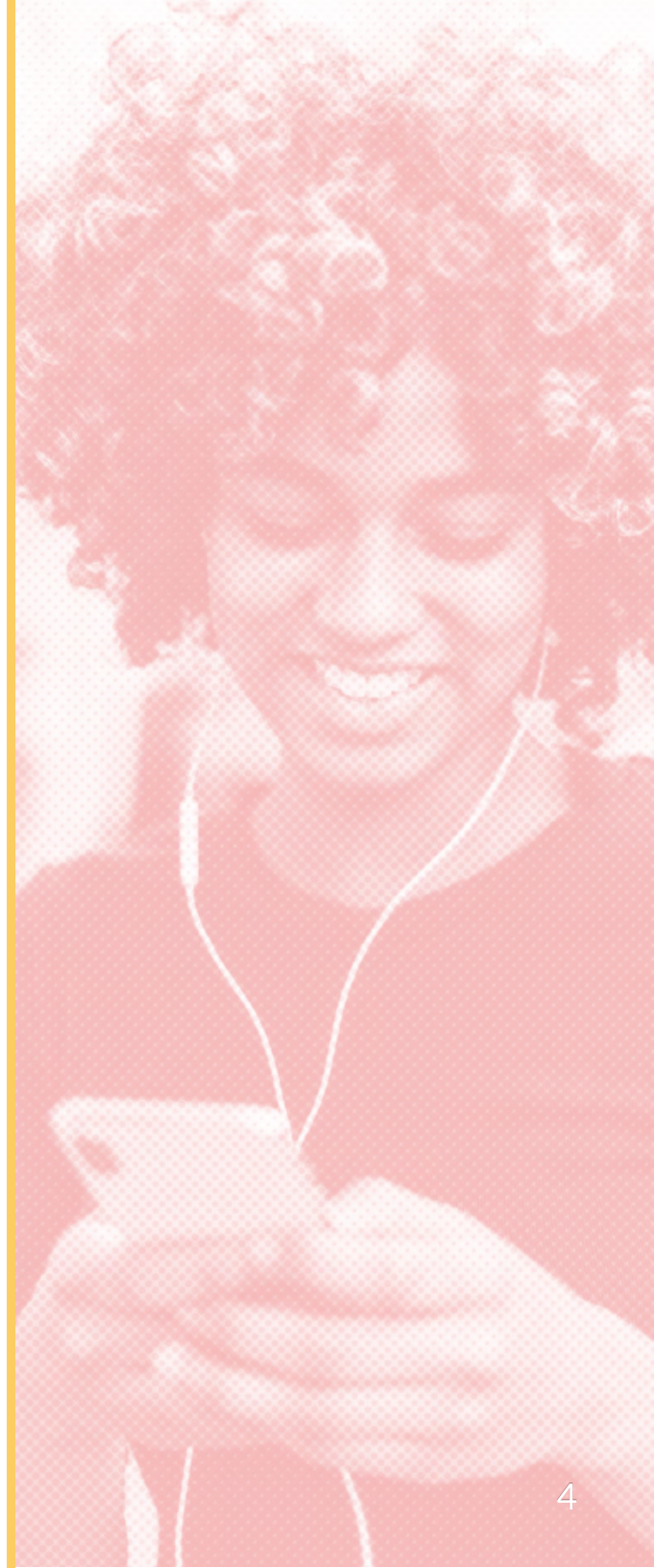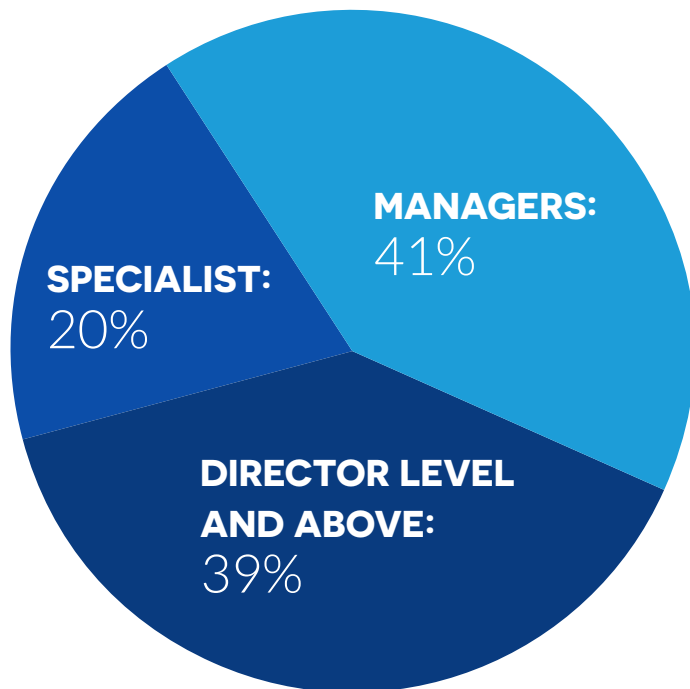
THE PARTICIPANTS

Last year, 27% of participants claimed to be at a Director-level or Above position while this year that statistic rose to 39%. In the last 4 years, this is highest number of respondents we've seen in that role.

AGENCIES: 58%	BRANDS: 42%

SPECIALIST: 20%

MANAGERS: 41%

DIRECTOR LEVEL AND ABOVE: 39%

BRANDS BREAKDOWN BY INDUSTRY

In total, this report represents at least 15 verticals.

SAAS: 7%

EDUCATION: 5%

ECOMMERCE: *(selling online only)* 5%

RETAIL: 4%

BUSINESS SERVICES: 3%

OTHER: *(Includes Manufacturing, Real Estate, Insurance, Wellness & Fitness)* 10%

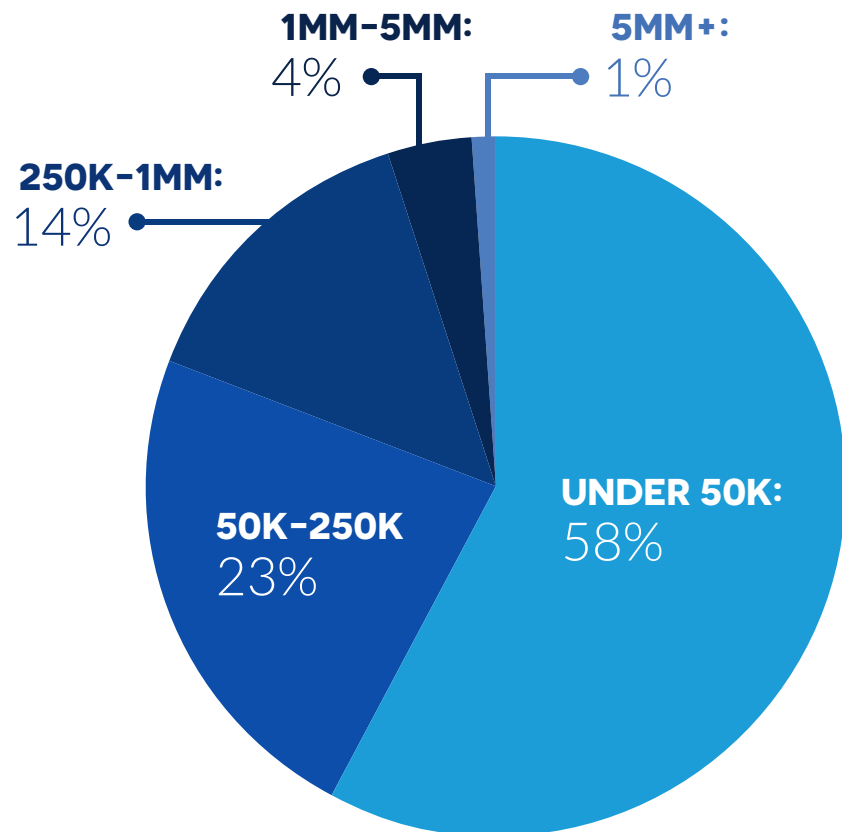**HEALTHCARE:** 2%

TRAVEL AND TOURISM: 2%

CONSUMER SERVICES: 2%

FINANCE: 1%

PUBLISHING: 1%

APPROXIMATE MONTHLY PPC BUDGET

(Includes aggregate of search, social, display, programmatic, etc)

2019

1MM-5MM: 4%

5MM+: 1%

250K-1MM: 14%

UNDER 50K: 58%

50K-250K 23%

Legend: UNDER 50K | 50K-250K | 250K-1MM | 1MM-5MM | 5MM+

2018
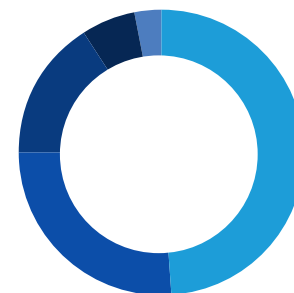
%	Category
49%	UNDER 50K
26%	50K-250K
16%	250K-1MM
6%	1MM-5MM
3%	5MM+

2017
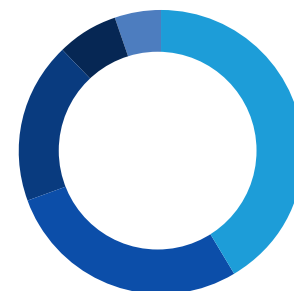
%	Category
41%	UNDER 50K
28%	50K-250K
18%	250K-1MM
7%	1MM-5MM
5%	5MM+

2016
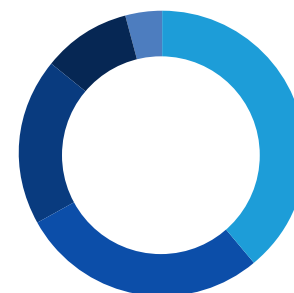
%	Category
39%	UNDER 50K
28%	50K-250K
19%	250K-1MM
10%	1MM-5MM
4%	5MM+

APPROXIMATE MONTHLY PPC BUDGET (CONT.)

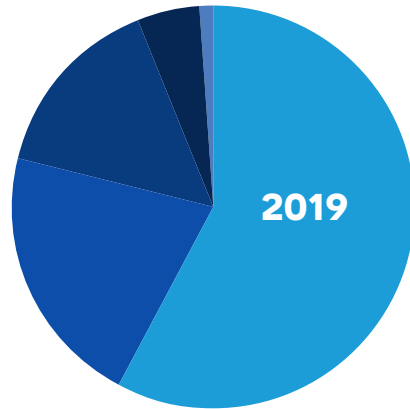*(Includes aggregate of search, social, display, programmatic, etc)*

BRANDS

2018
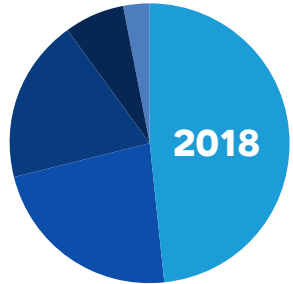
49%	UNDER 50K
23%	50K-250K
19%	250K-1MM
7%	1MM-5MM
3%	5MM+

2019

58%	UNDER 50K
21%	50K-250K
15%	250K-1MM
5%	1MM-5MM
1%	5MM+

AGENCIES

2018
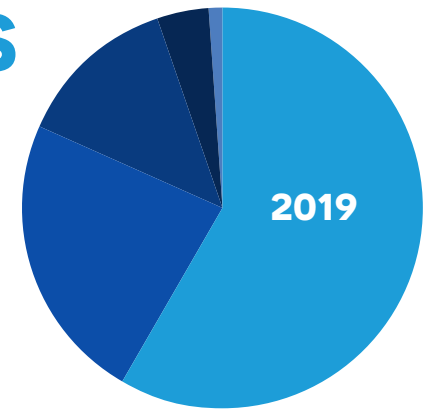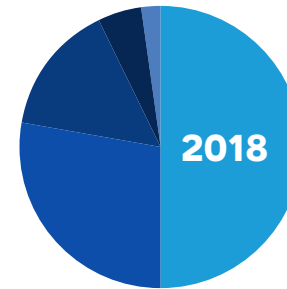
50%	UNDER 50K
28%	50K-250K
15%	250K-1MM
5%	1MM-5MM
2%	5MM+

2019

58%	UNDER 50K
23%	50K-250K
13%	250K-1MM
4%	1MM-5MM
1%	5MM+

VERTICALS SPENDING **THE MOST**

TRAVEL & TOURISM

RETAIL

HEALTHCARE

VERTICALS SPENDING **THE LEAST**

ECOMMERCE

(selling online only)

BUSINESS SERVICES

MANUFACTURING

74%
OF BRANDS

SAY THAT PPC IS A HUGE DRIVER FOR THEIR BUSINESS.

Out of 200+ brand marketers, only 5 said that PPC performance was really poor for them this year.

PPC IS A HUGE DRIVER FOR BUSINESS

Brands: **74%** | Agencies: **79%**

PPC IS NOT A HUGE PART OF MARKETING, BUT WILL KEEP DOING

Brands: **11%** | Agencies: **8%**

SOME SUCCESS WITH PPC, BUT NOT A LOT

Brands: **13%** | Agencies: **4%**

PERFORMANCE HAS BEEN POOR

Brands: **2%** | Agencies: **0%**

9% of agencies said that clients with bigger budgets are seeing success, but clients with smaller budgets are not.

WHAT BUDGETS LOOK LIKE

55%

OF MARKETERS SAY THAT THEIR PPC BUDGET IS BIGGER THAN IT WAS 12 MONTHS AGO

64% of brands are planning to increase their PPC budgets in the next 12 months, while 30% will keep budgets the same. Only 5% are planning to decrease their budget.

Over 50% of agencies claim that a majority of their clients will increase their PPC budgets next year, and 44% of budgets will remain the same.

CHANNELS WHERE MARKETERS ARE SPENDING THEIR DIGITAL DOLLARS

Only 4% of marketers said they are spending in podcasts.
Podcasts have increased in popularity over the last few years. Over 50% of the US population is now listening to podcasts *(source: The Infinite Dial 2019)*.

It is slowly becoming a next step in diversity for marketing mixes. According to a study by the Interactive Advertising Bureau, in 2017 the US market for podcast ad spend was $314 million. It's expected to grow to $659 million by 2020.

The channel is a great way to share information and keep users engaged with your content. Though tracking is weak and it is a more passive form of advertising, the benefits of reaching your audience in a new way can be impactful.

Channel	Percentage
SEARCH	93%
SOCIAL	83%
REMARKETING	82%
DISPLAY	79%
SHOPPING	33%
NATIVE	28%
PROGRAMMATIC	27%
PODCASTS	4%
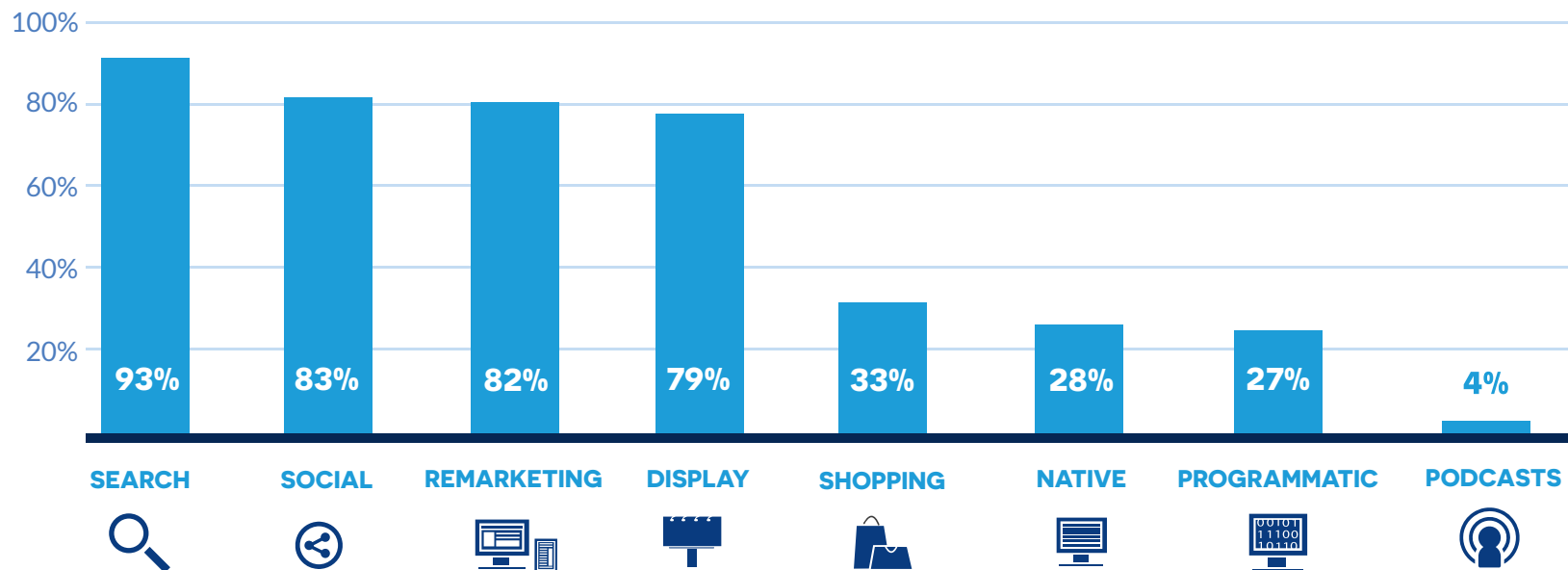
SOME THOUGHTS ON PODCAST ADVERTISING

Podcast advertising is still relatively new, so it's important that you keep testing and trying out new strategies, as well as new platforms. As podcasts continue to grow, new advertising platforms are being created like:

Overcast, the podcast listening app can help grow your audience by purchasing ad slots based on podcast themes. The best perk of advertising with Overcast is they provide daily subscription stats to help you understand performance.

Stitcher, another podcast listening app, provides various ad formats to help suit your needs, however, with some formats they may not provide KPI information.

After acquiring two podcasting companies, Spotify is after Apple's spot as the top podcast listening app. While their self-serve ad studio is currently lacking, we think they'll improve their offerings in the coming year.

> "Podcast advertising is difficult in that you're not really able to track 'conversions' to gauge performance. But if you want to raise brand awareness, build your audience and engagement, then podcast ads are a great way to do that."
>
> **- RACHEL POULOS**, SENIOR ACCOUNT MANAGER AT BRAINLABS

PERCENTAGE OF MARKETERS SPENDING MORE COMPARED TO 2018

SEARCH	SOCIAL	REMARKETING	DISPLAY	SHOPPING	PROGRAMMATIC	NATIVE	PODCASTS
60%	49%	33%	23%	19%	12%	6%	1%
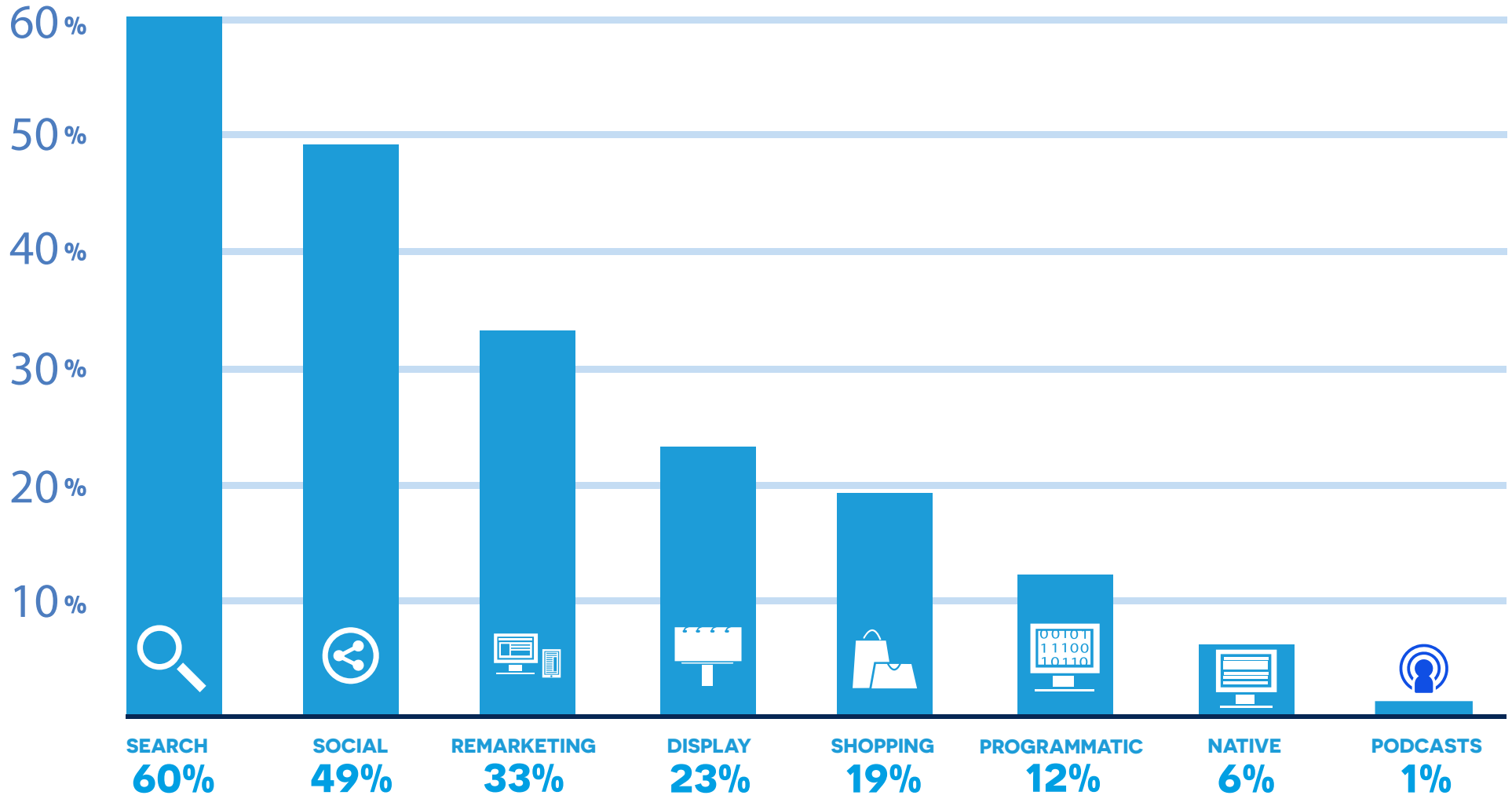
PERCENTAGE OF MARKETERS SPENDING LESS COMPARED TO 2018

DISPLAY	SOCIAL	NATIVE	PROGRAMMATIC	SEARCH	REMARKETING	SHOPPING	PODCASTS
39%	16%	12%	10%	8%	8%	6%	5%

10 %
20 %
30 %
40 %
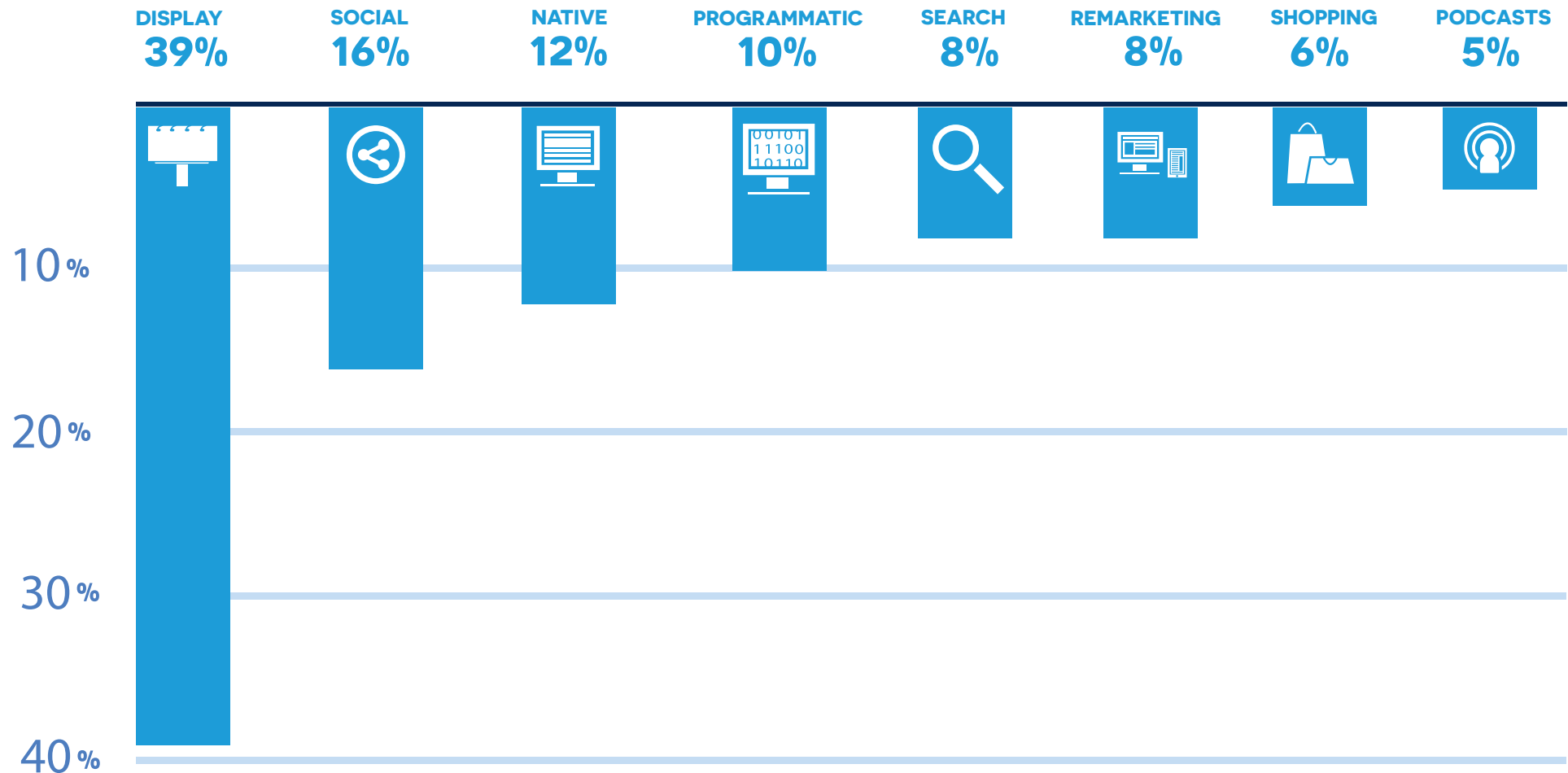
WHERE BRANDS ARE SPENDING THEIR DIGITAL DOLLARS

Platform	Percentage
GOOGLE	96%
FACEBOOK	81%
MICROSOFT (Formerly Bing)	59%
INSTAGRAM	53%
YOUTUBE	43%
LINKEDIN	40%
TWITTER	23%
QUORA	14%
PINTEREST	13%
AMAZON	11%
REDDIT	8%
SNAPCHAT	6%
SPOTIFY	5%
OUTBRAIN	4%
TABOOLA	3%
NONE	1%
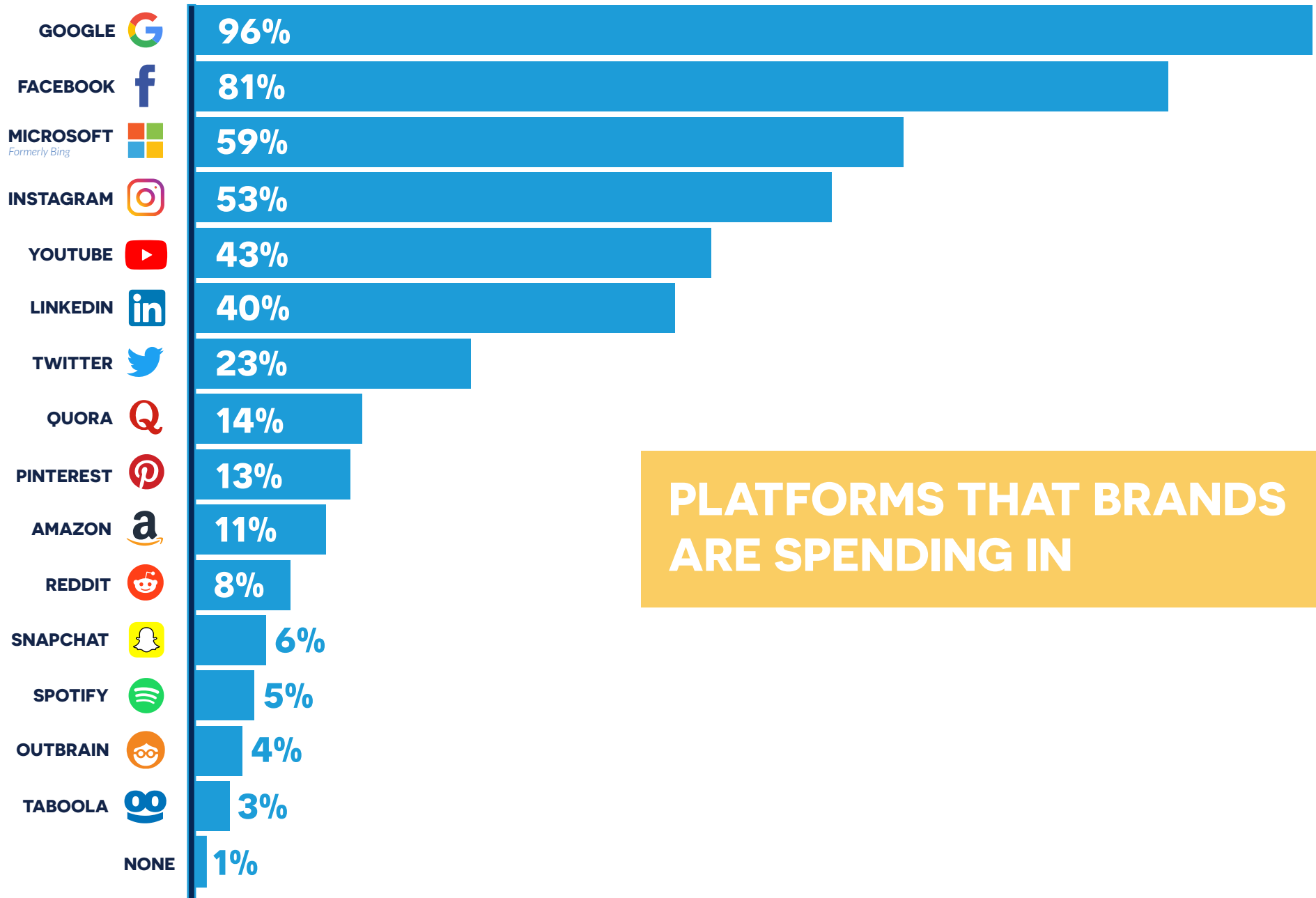
PLATFORMS THAT BRANDS ARE SPENDING IN

THE PLATFORMS AGENCIES WILL PITCH TO THEIR CLIENTS NEXT YEAR

Platform	Percentage
GOOGLE	57%
YOUTUBE	54%
FACEBOOK	47%
INSTAGRAM	41%
LINKEDIN	40%
MICROSOFT (Formerly Bing)	34%
AMAZON	28%
QUORA	20%
PINTEREST	18%
TWITTER	13%
REDDIT	13%
SPOTIFY	12%
SNAPCHAT	12%
OUTBRAIN	5%
TABOOLA	5%
NONE	5%
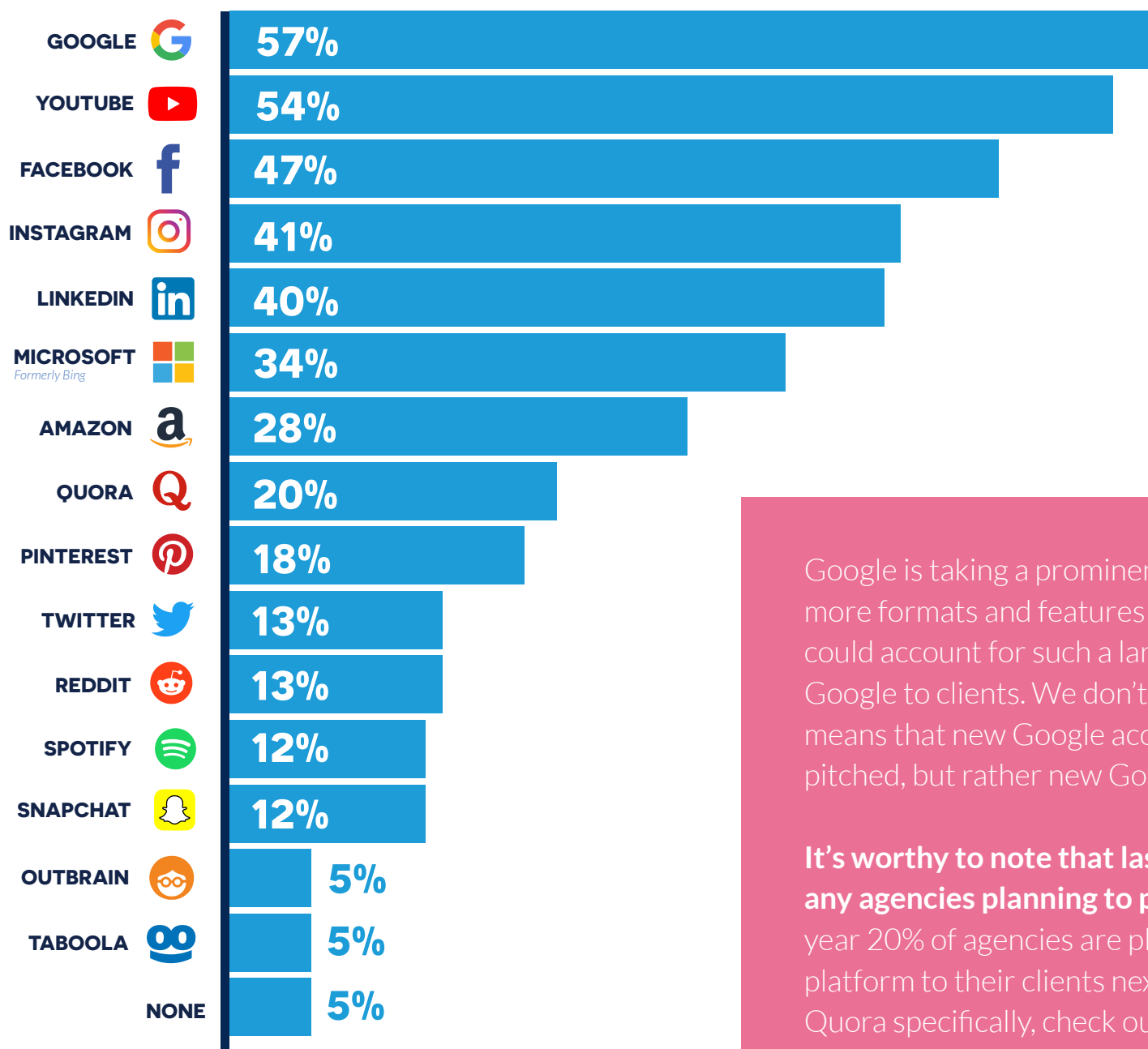
Google is taking a prominent stand investing in more formats and features for advertisers, which could account for such a large interest in pitching Google to clients. We don't think this necessarily means that new Google accounts are being pitched, but rather new Google products.

It's worthy to note that last year there weren't any agencies planning to pitch Quora, but this year 20% of agencies are planning to pitch the platform to their clients next year. For more on Quora specifically, check out our _State of Paid Social_ report we released over the summer.

The State of PPC 2019-2020

THE MOST/LEAST EFFECTIVE PPC CHANNELS

MOST EFFECTIVE FOR | BRANDS |

LEAST EFFECTIVE FOR | BRANDS |

	SEARCH	SOCIAL	SHOPPING	REMARKETING	DISPLAY	NATIVE	PROGRAMMATIC	PODCASTS
Most effective	65%	15%	9%	4%	3%	2%	1%	
Least effective	16%	22%	3%	6%	42%	5%	3%	4%
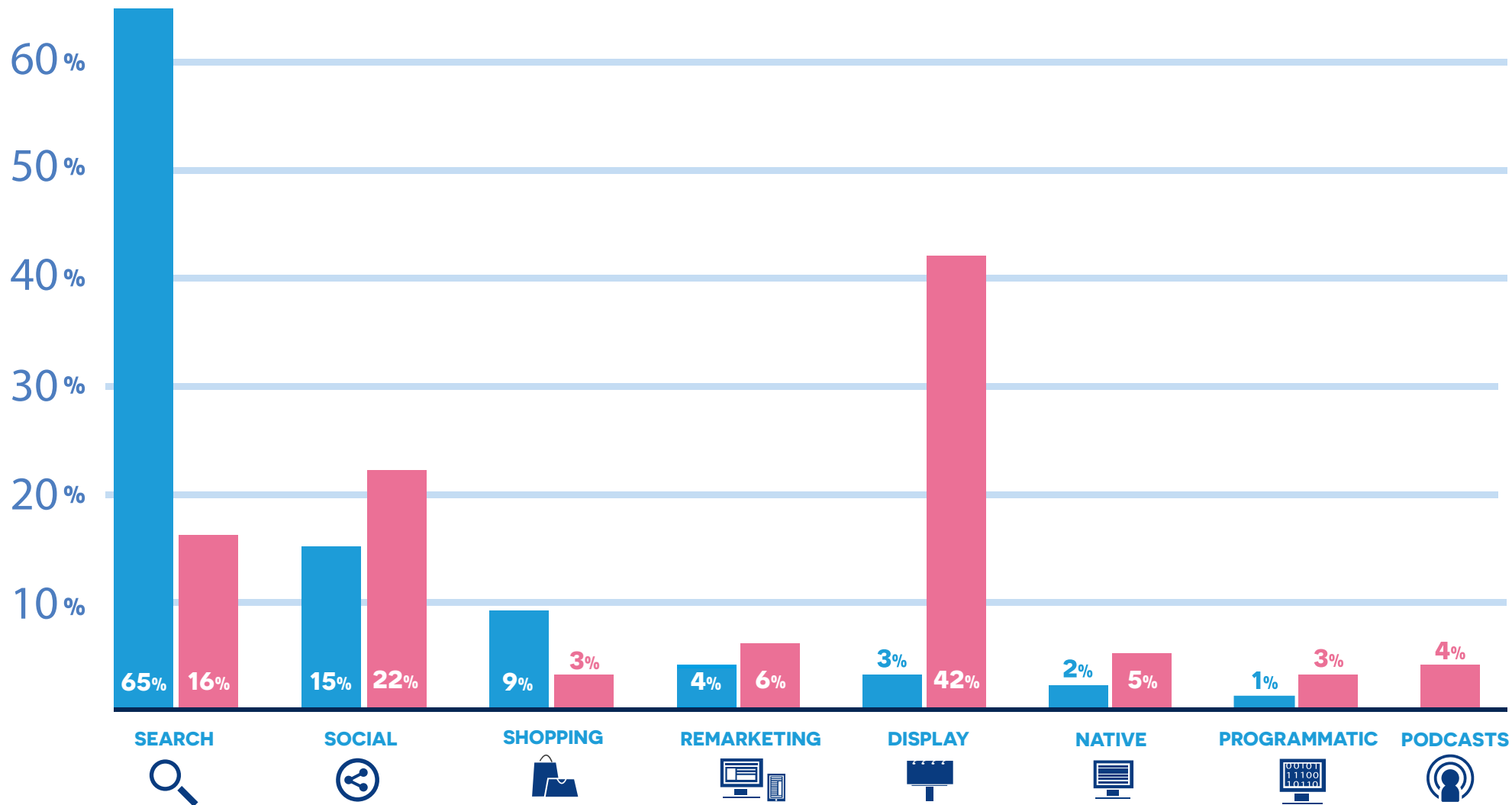
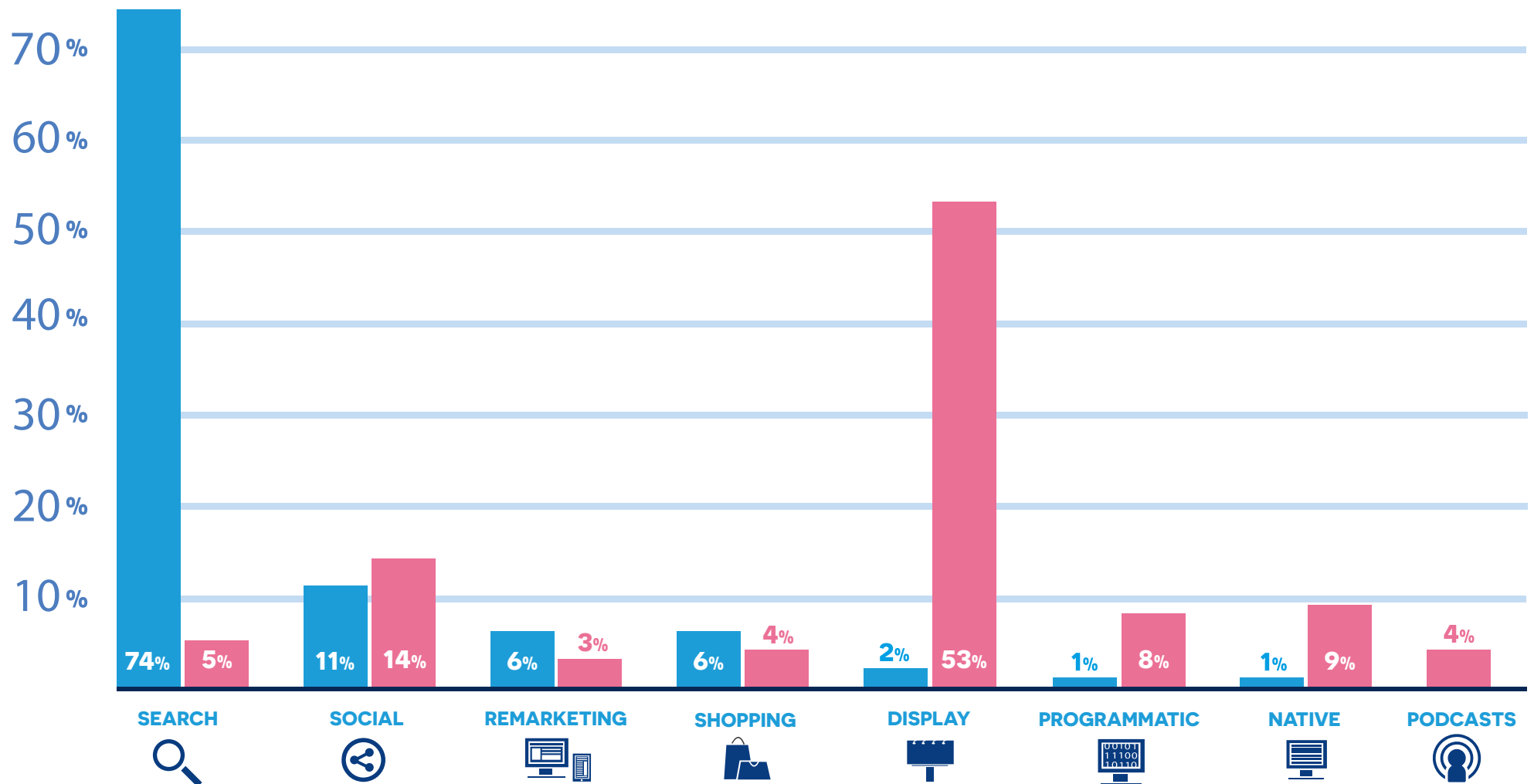# THE MOST/LEAST EFFECTIVE PPC CHANNELS

MOST EFFECTIVE FOR **AGENCIES** *(on behalf of their clients)*

LEAST EFFECTIVE FOR **AGENCIES**

Channel	Most Effective	Least Effective
SEARCH	74%	5%
SOCIAL	11%	14%
REMARKETING	6%	3%
SHOPPING	6%	4%
DISPLAY	2%	53%
PROGRAMMATIC	1%	8%
NATIVE	1%	9%
PODCASTS		4%

PLATFORMS MARKETERS WILL SPEND MORE IN OVER THE NEXT 12 MONTHS

GOOGLE — 77%
FACEBOOK — 59%
YOUTUBE — 46%
INSTAGRAM — 41%
LINKEDIN — 32%
MICROSOFT *Formerly Bing* — 31%
AMAZON — 20%
QUORA — 12%
PINTEREST — 8%
TWITTER — 7%
SPOTIFY — 6%
REDDIT — 6%
SNAPCHAT — 4%
TABOOLA — 3%
OUTBRAIN — 2%
NONE — 5%
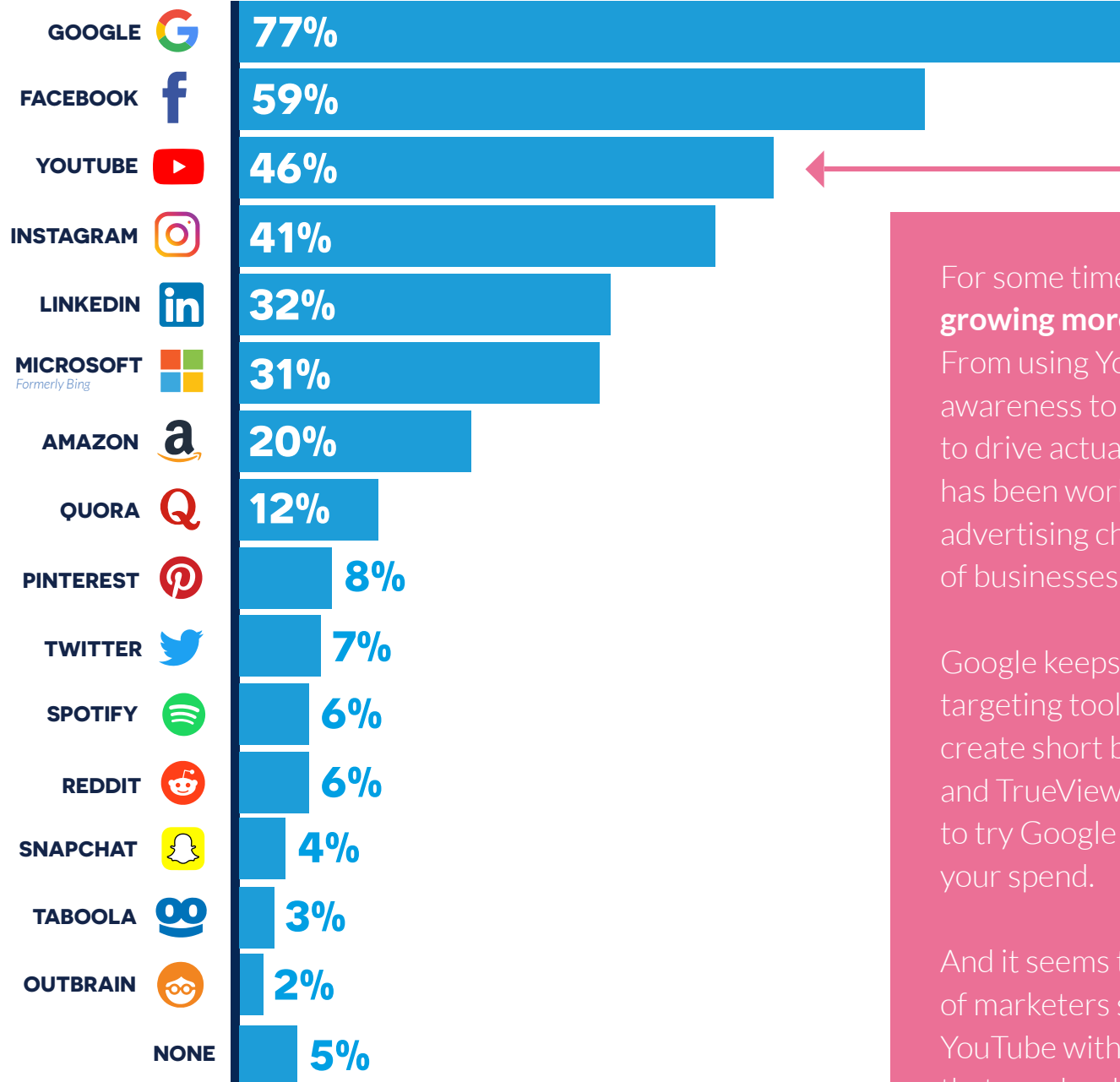
For some time now, **YouTube has been growing more popular with advertisers**. From using YouTube to generate brand awareness to using the new Lead Form Ads to drive actual leads/conversions, Google has been working to build YouTube into an advertising channel that appeals to all types of businesses and advertisers.

Google keeps rolling out more audience targeting tools - like the bumper machine to create short bumpers, video ad sequencing, and TrueView YouTube Ads — all in an effort to try Google ads for the first time or increase your spend.

And it seems to be working. Last year, 38% of marketers said they would spend more in YouTube within the following year and now that number has increased to 46%.

The State of PPC 2019-2020

18

VIDEO IS BEING USED THROUGHOUT THE ENTIRE SHOPPING JOURNEY

FOR IDEAS, TO SEE WHAT OTHERS THINK OF A PRODUCT, AND TO SEE HOW A PRODUCT IS ACTUALLY USED.

According to Think with Google, consumers have watched 50,000+ years of product review videos on mobile in the last 2 years and are 3x more likely to prefer watching a YouTube tutorial video over reading the product's instructions.

For retailers and SaaS in particular, YouTube can be a great expansion opportunity. As Google stated, the ability for consumers to see how your product works before they buy is invaluable, and what customers are looking for. If you're looking to expand into YouTube, here are some quick tips for your video ads:

- Show your branding in the first 5 seconds of your video

- Hook your audience
(think out-of-the-box to get the viewer's attention)

- Have one clear CTA

- One consistent message in the video

- End it with your branding
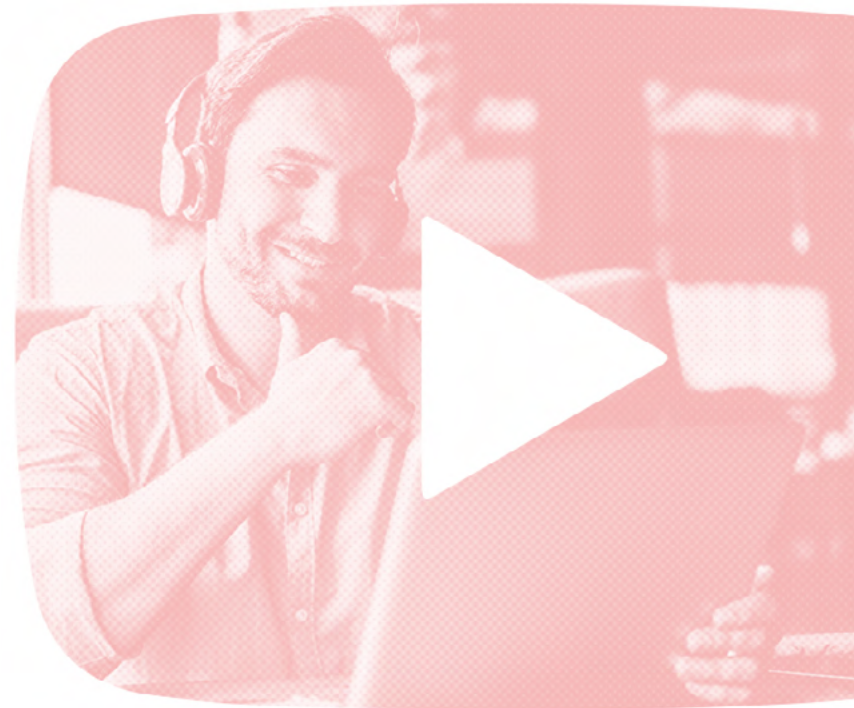
WHAT'S HAPPENING WITH AMAZON ADS?

SINCE LAST YEAR, THERE'S BEEN A SLIGHT INCREASE IN BRANDS MARKETING ON AMAZON, FROM 9% TO 11%.

65% of brands are seeing some growth with Amazon Ads

26% are seeing a LOT of growth

9% say nope, platform is not working for them

Amazon remains a dominant player in the ad space, accounting for nearly half of total US ecommerce sales and 5% of the total US retail market, according to eMarketer. This year, the platform focused heavily on expanding its ad offerings beyond display ads. They introduced new metrics that help advertisers understand their audiences and who is buying on the platform.

Amazon also launched the Amazon Learning Console this year. With the new Console, you can learn the basics of Amazon Advertising to help get started, as well as take a test to become accredited in Sponsored Ads. This is a great next step from Amazon to help advertisers adopt and successfully implement their advertising platform. Giving advertisers an option to not only learn how to best use Amazon ads, but also be certified in the implementation of ads will likely increase the overall number of console users and, in time, the advertising platform itself.

AMAZON DSP IS SLOWLY TAKING OVER THE PROGRAMMATIC WORLD.

Over the last couple of years, Amazon has been evolving its advertising solution to capabilities beyond their owned properties, and have quietly created a powerful Demand Side Platform called Amazon DSP.

Now under the "Amazon Advertising" umbrella, it provides a unique offering to B2C marketers with the integration of its own 1st party behavioral data, exclusive Amazon inventory, and the ability to track media spend to sales on Amazon itself. That is a tremendous amount of valuable insight and performance data.

While it does not have all the bells and whistles of the major DSPs (Display & Video 360, Mediamath, The Trade Desk), it offers the same basic offerings of display and video inventory across a large network of exchanges and publishers (not just Amazon properties). And it gives you the ability to layer on owned 1st party data, 3rd party data, and of course, Amazon's own proprietary audiences.

With Amazon DSP, advertisers can meet customers exactly where they are in the buying cycle. This is incredibly powerful, especially on a channel with high intent users ready to buy.

"

According to a recent survey conducted by Advertiser Perceptions, Amazon DSP is the preferred DSP for a staggering _41% of marketers_. In fact Amazon's "other" revenue, which is mostly advertising, grew 34% to $2.7 billion _in Q1_. The company is increasingly seen as the most likely challenger to Google and Facebook, the two biggest players in online advertising. With the acquisition of Sizmek and increased abilities for DCO (Dynamic Creative Optimization), we expect to see continued growth for Amazon DSP."

BRYAN GAYNOR
SENIOR ACCOUNT MANAGER AT BRAINLABS

WHAT HAS BEEN IMPORTANT IN DIGITAL ADVERTISING THIS PAST YEAR

Audience targeting has always been a hot topic of discussion among advertisers. Being in the right moment at the right time with right audience has been the mantra among digital marketers, but the tools and features haven't always kept up with this thinking. Nowadays, most advertising platforms have some sort of audience targeting, with a lot of new updates and features being introduced in the last 12 months. Facebook is the big player of course, but platforms like Pinterest, Quora, LinkedIn, etc. all run audience targeting that continues to become further sophisticated.

Google is trending in the same direction. At the Google Marketing Live event in 2019, Google announced features such as Discovery (Native) Ads, YouTube Bumper Ads, and custom audiences. They even released a new audience expansion tool to reach consumers who look and behave similarly to the people within a custom audience. The tool is very similar to Facebook's lookalike audience.

" In marketing, it's so easy to color within the lines and keep testing what's working now, but all brands can benefit from keeping up with the times and testing out fresh approaches to targeting by specific audiences. "

- MARY HARTMAN, SENIOR ACCOUNT MANAGER AT BRAINLABS

TOP 4 MOST IMPORTANT ASPECTS

- Audience Targeting
- AI/Machine Learning
- Conversion Rate Optimization
- Attribution

TOP 4 LEAST IMPORTANT ASPECTS

- Voice Search
- Podcast Ads
- Chatbots
- Visual Search

AI/Machine Learning came in as the #2 most important aspect of digital marketing over the last 12 months. With new targeting features being released left and right by platforms, there are a lot of exciting possibilities for advertisers to test with their audiences. But with the new possibilities also comes a lot of room for uncertainty.

The next section of this report is specifically on machine learning and how it is impacting marketers.
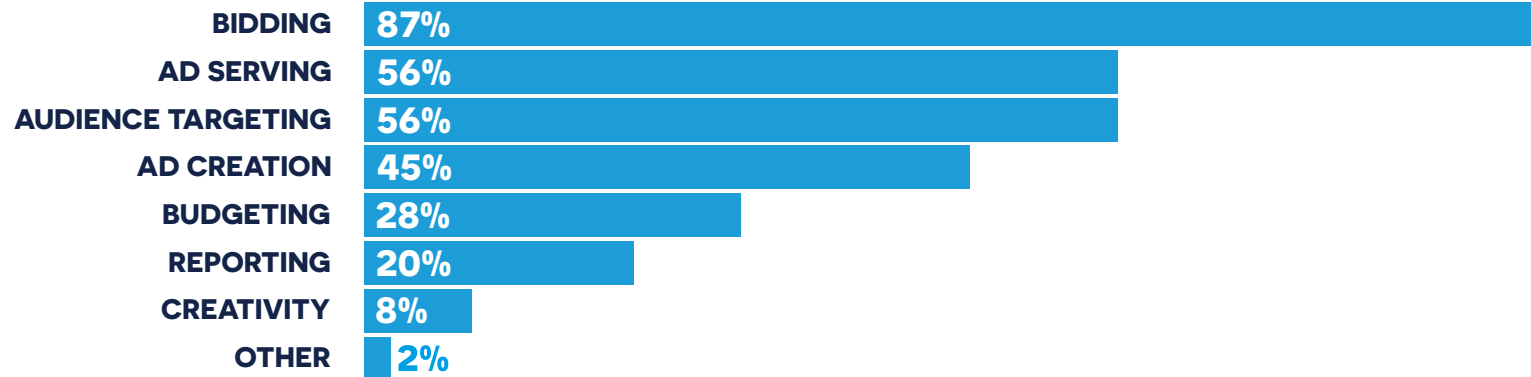
THE MAJORITY OF MARKETERS ARE USING MACHINE LEARNING CAPABILITIES AND FEATURES FOR BIDDING

MARKETERS ARE USING MACHINE LEARNING FOR

BIDDING	87%
AD SERVING	56%
AUDIENCE TARGETING	56%
AD CREATION	45%
BUDGETING	28%
REPORTING	20%
CREATIVITY	8%
OTHER	2%

BUILT-IN AUTOMATED FEATURES ALREADY BEING USED

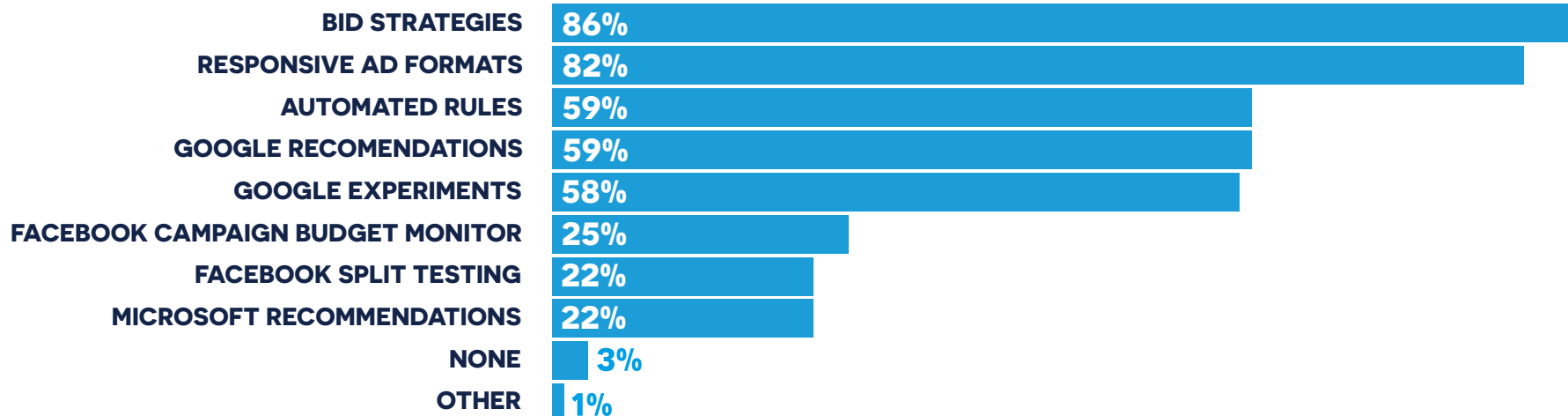|	
BID STRATEGIES	86%
RESPONSIVE AD FORMATS	82%
AUTOMATED RULES	59%
GOOGLE RECOMENDATIONS	59%
GOOGLE EXPERIMENTS	58%
FACEBOOK CAMPAIGN BUDGET MONITOR	25%
FACEBOOK SPLIT TESTING	22%
MICROSOFT RECOMMENDATIONS	22%
NONE	3%
OTHER	1%

HOW ARE MARKETERS IMPACTED BY MACHINE LEARNING? (CONT.)

Results in this section are from a specific Machine Learning survey conducted in July 2019 with 110 Brand and Agency marketers.

HAS MACHINE LEARNING MADE THE ADVERTISING EXPERIENCE ON THE WEB FOR CONSUMERS BETTER OR WORSE?

12%

14%

18%

56%
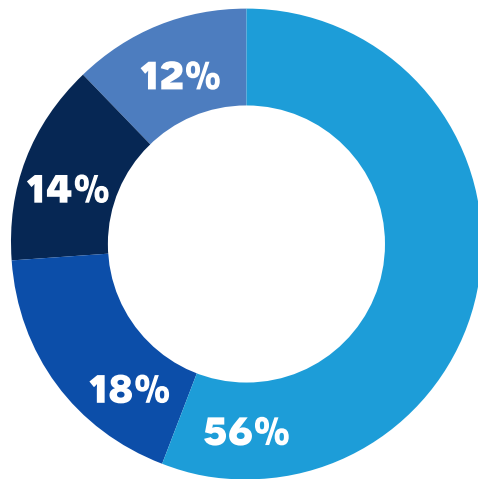
56% Said somewhat better

18% Said that it doesn't make a difference

14% A lot better

12% Said worse

IS MACHINE LEARNING SPEEDING UP YOUR ABILITY TO CREATE STRATEGY?

18% Yes, a lot

45% Yes, a little

37% No

52% say that Machine Learning is speeding up their Tactical (Day-to-Day) work just a little, while 32% say Yes, a lot.

The State of PPC 2019-2020

MACHINE LEARNING: TRANSPARENCY & CONTROL

Results in this section are from a specific Machine Learning survey conducted in July 2019 with 110 Brand and Agency marketers.

We asked marketers to rate the transparency and control they feel they have with machine learning capabilities on a scale of 1-10.

1	**8%**
2	**7%**
3	**19%**
4	**12%**
5	**15%**
6	**17%**
7	**15%**
8	**5%**
9	**1%**
10	**0%**
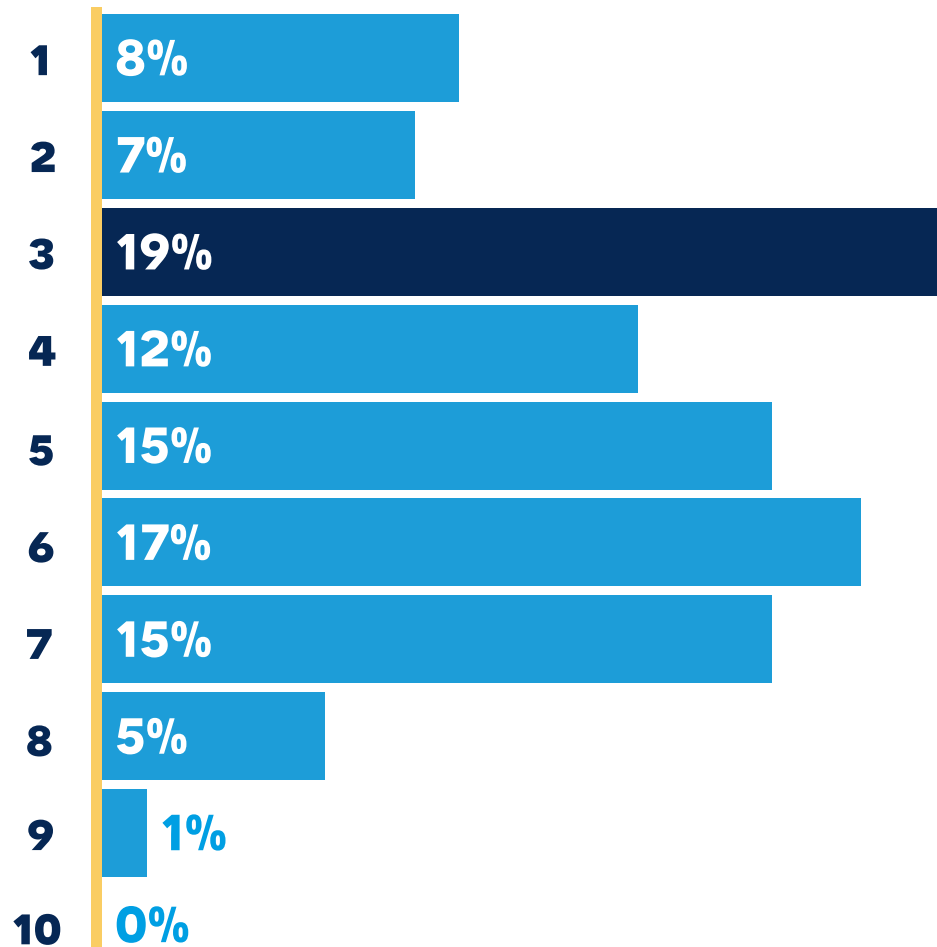
Over half of marketers say that Machine learning has a **medium impact** on their ability to make decisions.

Are you able to extract data from most platforms to make decisions when you think the machine is not making the best decisions?

45% -Yes
45% -Sometimes
9%   -Never

Once you get the data, are you able to make manual changes to override the system?
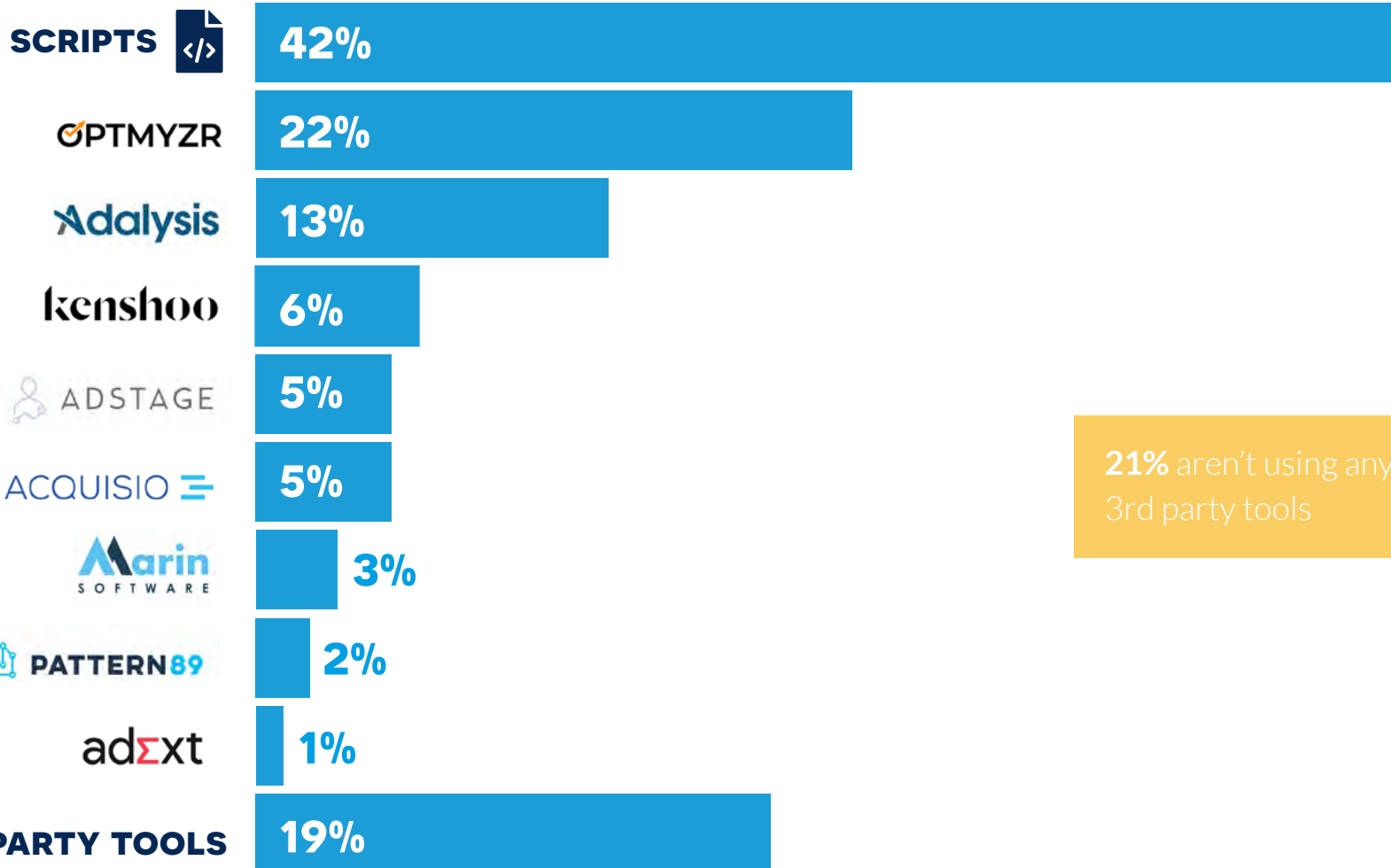
36% -Yes
55% -Sometimes
9%   -Never

MACHINE LEARNING: HELPFUL TOOLS

Results in this section are from a specific Machine Learning survey conducted in July 2019 with 110 Brand and Agency marketers.

When analyzing data & trends to make optimization decisions, a majority of marketers are relying on **Excel/spreadsheets and visual reporting** (such as Power BI, Google DS, etc.).

3RD PARTY TOOLS MARKETERS ARE USING

| Tool	%
SCRIPTS	42%
OPTMYZR	22%
Adalysis	13%
kenshoo	6%
ADSTAGE	5%
ACQUISIO	5%
Marin SOFTWARE	3%
PATTERN89	2%
adext	1%
OTHER 3RD PARTY TOOLS	19%

21% aren't using any 3rd party tools

MACHINE LEARNING: BIGGEST WORRIES

Results in this section are from a specific Machine Learning survey conducted in July 2019 with 110 Brand and Agency marketers.

An overwhelming majority of respondents said that **lack of transparency** and **lack of control** were their biggest worries for the role of AI and Machine Learning in advertising.
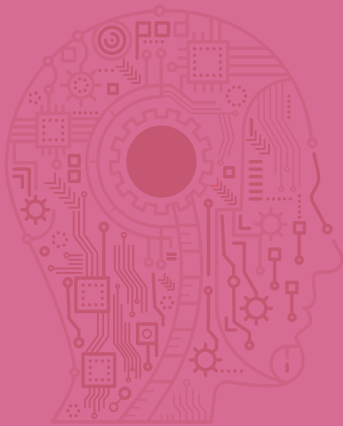
HERE'S WHAT ELSE RESPONDENTS SAID

Losing my job / clients think automation is a substitute for a PPC Professional **(whether soon or down the road)**

Will increase CPCs

The algorithm will favor the platform and maximize profits for the company offering it, so won't improve campaign.

Results in a lot of wasted money

Lacks the smarts of real world strategy and context

Advertisers will rely too much on it without understanding what it is doing and why

CONVERSION RATE OPTIMIZATION (CRO) CONTINUES TO BE A TOP PRIORITY FOR MOST MARKETERS *(as it should be!)*

Investing in the post-click experience or conversion rate optimization (CRO) is a given. This refers to the page that users land on, or their experience after they've clicked on an ad or an email, for example. If you receive a ton of traffic (clicks) from your ads but no one decides to buy from you because your page isn't functional, things aren't organized, or they're having a bad experience, that's a big problem. Essentially, you're wasting money when you could be bringing in more sales.

As an agency that does CRO for clients, we're big allies of the practice, but we wanted to gauge agencies and brands to learn who's doing it and how they're feeling about the results.

> "It's important to realize that even though your paid media team may be doing everything to the T and capturing all the relevant traffic there is at appropriate costs, they cannot control what that traffic does post-click. You would be doing everyone on your marketing team, and the brand as a whole, a favor by making conversion rate optimization a top priority."
>
> **- SAM KERR**, SENIOR CRO MANAGER AT BRAINLABS

WHAT BRANDS TOLD US

Do you have a structured process for A/B or multivariate landing pages?

43% -Yes!

30% -No

28% -No, but that they are working on one

Of those who do have a process, 21% said they are very happy, 45% said they are happy, 25% said they are just ok, and 9% they are not very happy.

WHAT AGENCIES TOLD US

Do your clients have a structured process for A/B or multivariate landing pages?

60% -Yes (whether they have their own or an agency does it for them)

40% -No (28% of these respondents also said they are working on one)

Of those that do have a post-click process, 27% said they are very happy, 54% said they are happy, and 19% said they are just ok.

WHY AREN'T MORE MARKETERS DOING CRO?

The majority of marketers at both brands and agencies claimed they are pretty happy with their CRO process, so why aren't more marketers doing it?

Here are the main reasons why:

- Budget
- Not enough time or manpower
- Not enough traffic to site for the tests
- Lack of design resources
- Don't see the value in testing

These are pretty common reasons for marketers to justify a "no" to a structured A/B testing process, so here are a few tips to help you convince your boss or a client to start CRO:

BUDGET
Take a piece of your advertising or marketing budget and invest it into CRO. As a result, you'll begin to see better conversion rates, thus freeing up more of that budget to spend on more traffic. This traffic will result in even more customers and because of your efforts, the investment should quickly pay off.

TIME

With an agency, CRO can be a minimal time investment, but adds in the benefits of getting insights that may positively impact other marketing channels. If you are a brand, investing in 3rd party tools like Optimizely, Hotjar, and VWO will make testing easier and save time. Using an A/B testing platform like VWO or Google Optimize makes setup easy through the use of a visual editor, while still allowing development capabilities if needed.

NOT ENOUGH TRAFFIC

If you don't have enough traffic to perform statistically significant tests, (which is common!) it's still important to understand your users and perform the research in order to make data-driven decisions. If you have no idea how your users are interacting with your site or what your users are saying, you could be missing out on discovering quick wins or huge opportunities.

LACK OF DESIGN

You don't need a design team to perform CRO. Through the use of third-party tools, you can still accomplish everything you need to accomplish without the design skills. For example, utilizing a landing page building tool, like Unbounce, allows you to build so many landing pages without the design or development skills needed to create something from scratch.

DON'T SEE THE VALUE

You can pay to get a lot of traffic to your site, but that's not going to guarantee you more conversions. If your form is broken or your users don't understand how to get through the checkout funnel and they're missing a crucial step, you're wasting your money. CRO exists to help find those points of friction, optimize them, and increase your conversions.
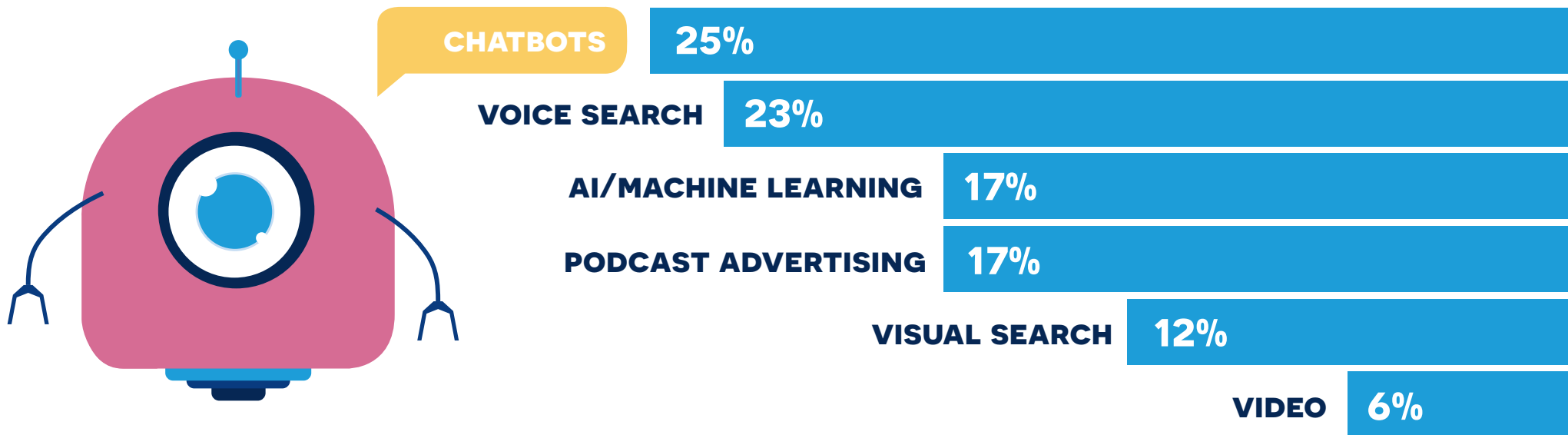
WHAT MARKETERS FEEL MOST UNPREPARED FOR

For the second year in a row, Chatbots have been chosen as a trend that marketers feel the most unprepared for.

While there could be many reasons for this, here are our thoughts on common reasons:

- Businesses not sure how to get started
- No proven set of best practices *(yet)*
- Lack of known resources
- Misconception on how they operate and automation capabilities
  (live person not needed at all times to answer questions)

CHATBOTS 25%

VOICE SEARCH 23%

AI/MACHINE LEARNING 17%

PODCAST ADVERTISING 17%

VISUAL SEARCH 12%

VIDEO 6%

WHAT MARKETERS FEEL MOST UNPREPARED FOR (CONT.)

A study from insidesales.com and the Harvard Business Review found that if you wait 5 minutes to respond after a lead initially makes contact, there's a 10X reduction in your odds of getting in touch with that lead. After 10 minutes, this stat plummets to a 400% decrease in your odds of qualifying a lead. If you want to keep pace with the way the modern consumer likes to buy, then you need to be able to meet them wherever they are on your website and in the sales funnel. That's why Chatbots are an important part of your marketing strategy.

If you're interested in getting started with chatbots, there are plenty of resources and a variety of vendors including Drift, Hubspot, Mobile Monkey (Facebook), Aivo, and Botsify, to name a few.

" Chatbots are an important and useful AI that can fill the gaps in buyer expectations and buyer realities. Speed up your response times, intelligently route traffic, focus on high-value interactions, and intelligently customize messaging for your audiences. "

- DANIELLE GONZALES, SENIOR ACCOUNT MANAGER AT BRAINLABS

ATTRIBUTION AND STRATEGY

According to this Think with Google study, 25% of marketers cited organizational and structural challenges as the No. 1 reason why they haven't adopted data-driven attribution.

Consumers are interacting with your brand across a growing number of screens, channels, and platforms, making it significantly difficult to know which parts of your marketing are actually working. While tracking is extremely important (use tools like pixels, Google Tag Manager, and analytics), it's also really important to view the performance of your digital channels as a whole versus siloed efforts.

You should continue to optimize each channel individually, but you should also understand how multiple marketing channels work together. The understanding and insights you gain from looking at your marketing as a whole will help you develop better strategies and more personalized approaches for your customers.

OUR THOUGHTS AND PREDICTIONS

" THE ROLE OF A PPC PROFESSIONAL

Paid search managers, paid social managers, and strategist positions will be around for a long time. There will always be a need for smart folks to creatively apply their knowledge to campaigns. However, instead of being campaign executors, folks will become 'insight brokers.' The main output of work will be ideas and insights versus lever-pulling or even performance (since performance will be driven more by algorithms than by humans). To adapt, digital marketers should learn data-storytelling, presentation skills, and the fundamentals of how automation tools work, so you understand how they interact."

- JEFF ALLEN,
PRESIDENT OF BRAINLABS

" MACHINE LEARNING/AI

The PPC industry is experiencing systemic change due to the rise of AI and Machine Learning. As a result, advertisers and industry professionals must learn to become masters of strategy so they can take the vast amounts of raw information being generated and convert them into actionable plans and ways forward. Consumers will benefit from machine learning & AI, because providers will be able to offer a faster and more personalized service experience."

- JEFF BAUM,
DIRECTOR OF SERVICES AT BRAINLABS

❝ SEARCH

Although we know Search to be an omnipresent cog in the digital marketing machine, the content and engagement from Search are changing. Currently, imagery and video content are engaging users on social platforms — search will begin to see more of that in 2020. With Google announcing the release of Gallery Ads that offer more visual search results for users and the continual growth of voice search, it's safe to assume visual and audio ad formats are at the top of Google's priority list. There are a lot of theories on how voice search might be monetized, with suggestions like providing the listener with sponsored supporting content or requiring "pre-roll" answers first before offering an organic result. While users will continue to seek out information, they will arguably continue to use Search as a source of knowledge. But with the speed and breadth of engagement we see in the larger digital world, search will have to fight hard, using visuals and creative audio, to keep in the ring.❞

- CARRIE ALBRIGHT,
DIRECTOR OF SERVICES AT BRAINLABS

❝ AMAZON

I predict huge growth for Amazon DSP. Amazon has made a lot of investments in technology, features, and capabilities over the last year. From improvements in reporting capabilities, to expanding targeting options to include competitor ASIN conquesting capabilities, I predict this area of the business to see significant growth in 2020.❞

- CASSIE OUMEDIAN,
ASSOCIATE DIRECTOR OF SERVICES AT BRAINLABS

OUR THOUGHTS AND PREDICTIONS

" YOUTUBE

With YouTube, companies have the ability to share a lot more information about their products and services compared to the standard search/display ad. Many companies can be hesitant to use YouTube because they might not get many actual leads, or whatever their KPI is, but in actuality, the volume of brand awareness will increase top of funnel users, leading to more conversion opportunity through direct/paid channels. With the continued increase in popularity in the platform, both from consumers and advertisers, I think it's safe to assume that Google will continue to create more YouTube ad formats to increase the volume of video ads. But creating the video assets is the biggest obstacle advertisers face. Google's release of "bumper machine" was the first answer to removing the obstacle of video creation/editing, I wouldn't be surprised to see Google roll out more tools that make it easier for companies/advertisers to create a wide-range of video assets. "

- ANDREW HARDER,
ACCOUNT MANAGER AT BRAINLABS

" SOCIAL ADS

Stories will become the placement that everyone talks about. Currently across all Facebook brands, there are 1.5B daily active users of Stories (or Status if we're talking about WhatsApp). Combine all of the interactive UX elements that are being added to Stories with the users' undivided attention to the full-screen creative and it will become an incredibly effective placement for advertisers who can use these tools to tell a great story. "

- BAHADOR JAMSHIDI,
PAID SOCIAL ACCOUNT MANAGER AT BRAINLABS

OUR THOUGHTS AND PREDICTIONS

❝ AUDIENCE TARGETING

While audience targeting has been constantly updated and refined over the last several years, it will continue to get more detailed and more personalized for the consumer. Our actual keyword selection will become less important in the future and more emphasis will be placed on audience targeting. Will 2020 be the death of the keyword — probably not — but with more platforms adopting detailed audience targeting, there's a likely chance the practice of keyword targeting will be less impactful next year.❞

- DIANE ANSELMO,
ASSOCIATE DIRECTOR OF SERVICES AT BRAINLABS

❝ SHOPPING

Based on what we've already seen this year, Shopping ads are going to continually evolve to more directly compete with marketplaces in 2020 (namely, Amazon). The primary areas they'll likely continue to focus are enhanced visuals, customer reviews, and removing friction in the buying process (i.e. retaining customer purchase information, voice/assistant-friendly, etc.). Also, "free shipping" (or at least the façade of free shipping) will become a given with many brands out of necessity. Amazon is training consumers to expect no shipping fees and it's made that additional cost even more prominent when they shop elsewhere.❞

- ZACH BRUNER,
SENIOR ACCOUNT MANAGER AT BRAINLABS

Hi there, we hope you liked the report! We're Brainlabs, a global digital marketing agency. Using a test & learn approach, we help businesses grow.

(It works, we tested it.)

Services:

Strategy

Data Measurement

Technology

Digital Channels

SEO

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