

TREND SURVEY

DIGITAL MARKETING TRENDS 2020

Publisher:

eco – Association of the Internet Industry



With success and responsibility on the Internet – today and in the future

Dear Readers,

As eco – Association of the Internet Industry, we are convinced that technologies based on artificial intelligence (AI) and corresponding applications will significantly shape the Internet of the future. AI will increasingly support people, but will not replace them in the short or long term. It's more a tool that we first have to learn to use properly.

In marketing, AI has the potential to contribute greatly to increased productivity over time. Whether it's to do with automated market analysis, knowledge management, recommendations for action and topics, or content generation: AI identifies popular topics in real time and links them to appropriate communication measures for companies' own products. Based on structured data, AI solutions are already creating initial communication templates.

These are just a few examples of the high potential that AI has for the economy in Germany. But potential is always associated with risk. If Germany gets left behind in the establishment of AI, we run the risk of being at a disadvantage compared to international competitors. We therefore strongly advise companies to act promptly. Those who opt for AI now will benefit early on from the next evolutionary stage of the Internet.

Best regards,



Harald A. Summa

CEO, eco – Association of the Internet Industry



Table of Contents

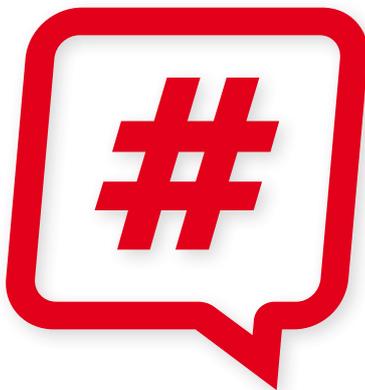
Executive Summary	4
The Companies Surveyed	6
Key Findings	8
The Hottest Topics in 2020	10
The Biggest Changes	12
Customer Experience vs. Journey	14
Artificial Intelligence in Marketing.....	15
B2B vs. B2C.....	16
Data-Driven Marketing	17
Marketing Channels in Use	18
Email vs. Messenger	20
Omnichannel Communication.....	21
Budget Changes	22
Budget Changes – Sectors.....	24
Budget Changes – Channels.....	26
Online vs. Offline Budget.....	27
Opportunities of AI in Marketing	28
Disclaimer	30
Imprint	31

AI in Marketing: A Lot of Hype About Nothing?

Evaluation of customer potential through neural networks, highly intelligent chat offers through Natural Language Processing, or automated target group and turnover analyses through Deep Learning – artificial intelligence offers an almost boundless potential for use in marketing. However, while new insights and tools are constantly emerging in the AI context, their use in practice is still lagging miles behind. Of the 923 companies surveyed, only 22 percent intend to deal with the topic of AI this year – in 2019 it was 23 percent. In 2020, companies are more concerned with general areas such as marketing automation, content marketing, and ensuring solid data quality.

sector, on the other hand, the figure is as high as 70 percent.

In contrast, a proportion of the B2B sector (14 percent) and some brand manufacturers (17 percent) are “AI-shy” – companies in these sectors first want to build up a solid data foundation in order to then deal with further trend topics. The focus here is also on automating the company’s own marketing processes, improving the existing data quality and breaking down data silos.



There is a wide gap between theory and practice. While experts are preaching about the use of AI, many companies are still overwhelmed with the task of bringing order to their data and automating marketing processes.

– Dr. Torsten Schwarz, absolut Dr. Schwarz Consulting

But not all industries are “AI-shy”

Every third retailer wants to address the topic of artificial intelligence in marketing this year – they see the greatest potential in the use of recommendation systems (75 percent) and the automated segmentation of customer clusters (69 percent). Interestingly, compared to the population as a whole, the retailers surveyed consider chat offers to be one of the less attractive fields for AI (39 percent) – in the Finance

Content marketing secures the crown for the third time

As in previous years, content marketing is the hottest topic for marketers – in 2020, 78 percent of those surveyed intend to tackle their content strategy. The reason for this probably lies at the heart of the matter: Relevant content accompanies and inspires customers and interested parties along their customer journey. It can be shared via a wide range of channels and also finds

a place along the entire value chain. A company that is intensively engaged in the conception of target group-relevant content will not only do this once selectively, but will deal with this topic on an ongoing basis and want to expand the status quo further. As in 2019, the topic of marketing automation is once again in second place, coming in at 71 percent.

Voice assistants continue to lose relevance for companies

Are voice assistants coming to the end of their time in the sun, or is the real hype still to come? According to the companies surveyed, the relevance of Amazon Echo, Google Home Pod and the like has been declining since 2019. Last year, 15 percent of companies were interested; this year, the interest rate dropped to around 12 percent. However, what's open to question is whether the respondents really do not see any relevance in the topic at present or simply do not yet have a concrete roadmap for optimising their content in terms of "visibility" in Voice Search or for designing relevant voice skills for their own target group.

Messenger Marketing records losses

WhatsApp's decision to ban automated mass mailings from December 2019 is starting to show an impact – in comparison to the previous year, seven percent of the companies surveyed do not communicate by messenger services. The biggest decline is in the Tourism sector, where the use of the channel fell from 82 percent (2019) to 67 percent (2020). Instead of switching to another service or changing from push to pull communication, many companies have just given up entirely on using messenger services.

Marketing budgets are increasing less and less

Since 2018, a slight downward trend in the increase in marketing budgets has been evident: On an annual basis, around two percent of the companies surveyed have taken a step back and refrained from increasing their advertising budget again in the new year. The proportion of companies that plan on reducing their budget has even increased by four percentage points this year, to just under 20 percent. This development could be due to a declining willingness to invest, more cost-efficient advertising measures, the disposal of marketing channels, or budget shifts to other divisions. The decline is most evident in the Tourism sector, where almost one in ten respondents are refraining from increasing the budget further this year.

Direct to consumer: Brand manufacturers step on the gas

The mattress start-up Casper, or the accessories manufacturer Kapten & Son, both set an example – instead of selling their products to wholesalers and retailers, these companies prefer to use the fastest distribution channel and address consumers directly. This strategy is particularly interesting in e-commerce, as manufacturers can collect customer data themselves and thus build up a much more effective customer relationship management. The survey confirms this picture: Sixty percent of brand manufacturers rely on omnichannel communication, 65 percent will increase their marketing budget in 2020, and almost 50 percent will focus on marketing automation, personalisation, and data quality this year – more than in any other sector. It will therefore be exciting to see what examples of best practice will emerge from the Brand Manufacturers sector this year.

The Companies Surveyed

General facts of the current study

01

ON THE STUDY



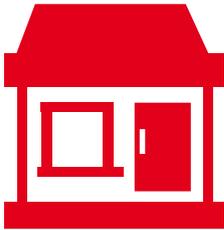
Online marketing managers from

923 companies

took part in the study

10%

Small companies
under 50 employees



Ø Size of
the marketing team

1 employee

29%

2 -5 employees

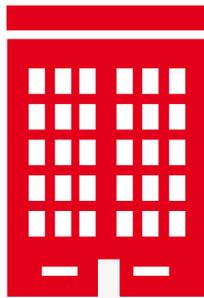
56%

over 5 employees

15%

43%

Medium-sized companies
50 to 500 employees



Ø Size of
the marketing team

1 employee

8%

2 -5 employees

37%

over 5 employees

55%

47%

Large companies
over 500 employees



Ø Size of
the marketing team

1 employee

0%

2 -5 employees

14%

over 5 employees

86%

Sector composition of the companies surveyed:

B2B Companies

176

Media & Education

151

Consulting & IT

143

Finance & Insurance

128

Retail

109

Brand Manufacturers

75

Tourism

63

Health

55

Energy & Public Utilities

23

Methodology of the Survey

This survey analyses the trends in digital marketing in 2020. In February 2020, online marketing managers from a total of 923 companies were surveyed and grouped into nine different sectors:

B2B Companies, Energy & Public Utilities, Finance & Insurance, Health, Retail, Brand Manufacturers, Consulting & IT, Media & Education and Tourism.

The participants were asked:

- » Which marketing topics would companies deal with in 2020?
- » How is their budget distributed and developed for the different marketing channels?
- » Which approaches did they identify to use artificial intelligence in a promising way?

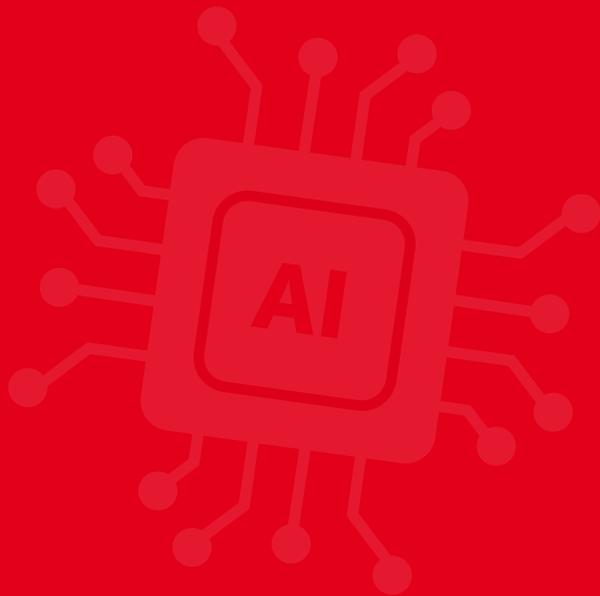
In order to ensure representative results, only one questionnaire could be completed per company.

Key Findings

The core results of the survey

01

ON THE STUDY



Content remains the most important topic

For the third year in a row, content marketing is seen as the most relevant of the eleven topics surveyed. Around eight out of ten companies intend to continue to work intensively on creating relevant content for their own target groups in 2020.



AI in Marketing: Little presence in practice

Despite the high media presence and currency of the topic, AI is rarely focused on in the marketing departments of German-speaking companies. Nevertheless, the companies surveyed see great opportunities for the use of artificial intelligence in the future, especially with regard to personalisation.



Brand manufacturers making the leap in digital marketing

The brand manufacturers surveyed are ahead in their use of omnichannel communication, in increasing their marketing budget, and in the field of data-driven marketing.



Advertising budgets are increasing less and less

Fewer and fewer companies say that they plan on increasing their marketing budgets. While last year, 61 percent had planned on budget increases, only 59 percent have this planned in for 2020. The number of companies stating that they are cutting their budgets has also increased by four percent.

Email still the most popular channel

Once again this year, email marketing is the channel least affected by budget cuts. Only three percent of those surveyed said that they plan on investing less in their email communication this year.



Messenger services as a channel in free fall?

WhatsApp's decision to limit push communication via its platform is also reflected in the results of the survey. A full seven percent of companies have discontinued their communication by messenger service. The budget increases for this channel are also lower compared to the previous year.



The Hottest Topics in 2020

Which topics will you be focusing on in 2020?

02

Marketing topics

Content Marketing

78%

Marketing Automation

71%

Data Quality

64%

Customer Experience

60%

Personalisation

56%

Digital Transformation

53%

Conversion Optimisation

53%

System Integration

52%

Customer Journey

49%

Artificial Intelligence

22%

Voice Assistants

12%

As in the previous two years, content marketing is once again the topic of the year. This enduring relevance is most likely due to the fact that many companies have understood that the creation of relevant content is not a once-off thing, but rather needs to be driven forward continuously in order to inform customers and inspire them for their product portfolio.

The topic of data quality was surveyed for the first time this year and immediately moved up to third place among the most important topics. This result shows the ever-increasing need for clean master data in order to implement marketing automation and data-mining processes in-house.



Brand manufacturers want to break open data silos

A major challenge for the successful implementation of data-driven marketing is the decentralised storage of data in different systems. Six out of ten brand manufacturers want to address this problem by standardising existing data and integrating all existing systems.

Finance sector wants to become more digital



No other sector wants to deal as intensively with the digitalisation of its own business processes and products as the Finance & Insurance sector – a full 73 percent said they would be working on the topic of digital transformation this year. Retail seems to have the least need for transformation – here the figure is 39 percent.



Energy sector is at the bottom of the list for marketing automation

Marketing automation is one of the most important topics of this year. Only the Energy sector is keeping this at bay. Not even one in two of those surveyed wants to deal with the automation of marketing and communication processes. The topic of personalisation is also only mentioned by 48 percent.

The Biggest Changes

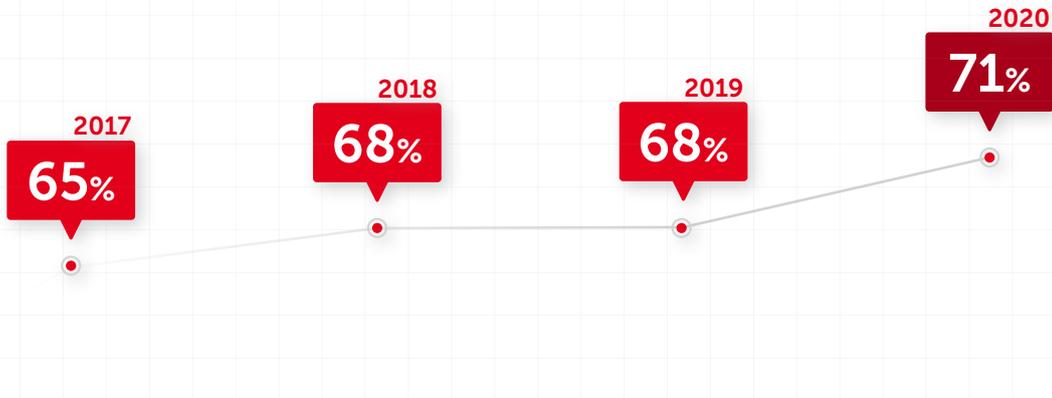
What developments are the trends going through?

02

Marketing topics

Focusing on

Marketing automation



Whether onboarding, support or customer loyalty – the automation of marketing processes offers companies a wide range of options for more granular and individual control of their own advertising communication, while at the same time allowing for the more efficient use of financial and personnel resources.

This insight seems to be penetrating more and more companies, with the proportion of companies that want to address the topic this year rising by a further three percent after a brief pause in 2019.

Focusing on

Customer experience

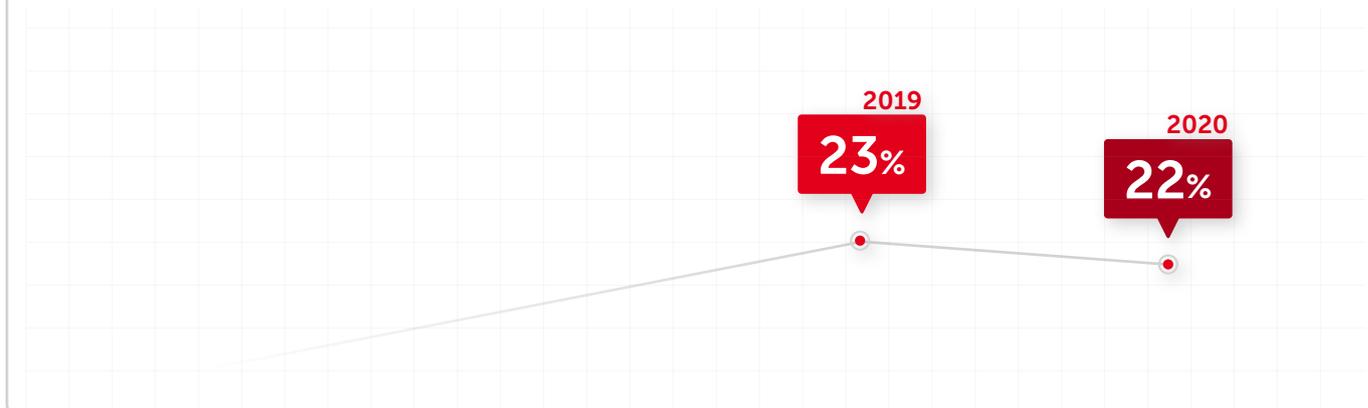


Positive customer experiences are the foundation for trust and brand loyalty. Customer experience management aims to systematically record and optimise precisely these customer experiences at the individual touchpoints. All possible business areas can be analysed: from user-friendly page navigation

to the shopping experience in a stationary store. The topic's overall relevance is critical, which is also recognised by the results of the survey. This year, six out of ten companies want to focus on customer experience – three percent more than in 2019.

Focusing on

Artificial intelligence

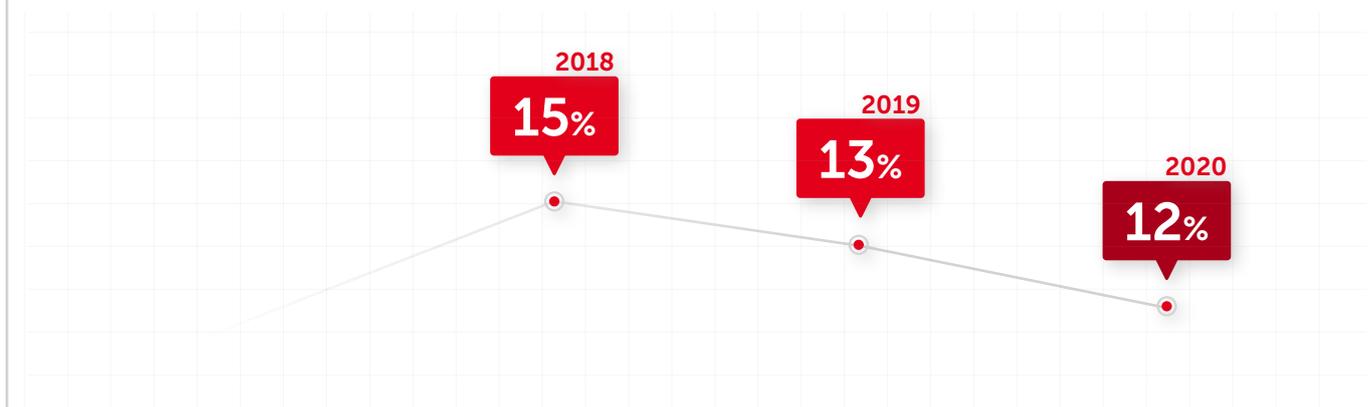


Self-learning algorithms are also used in marketing for a wide range of applications – from smart bidding systems for advertisements, to the recognition of the best individual dispatch time, to the automated evaluation of master data in order to open up new target group segments. Although there are already a good handful of systems that are designed to facilitate

the everyday work of a marketer through the use of deep-learning algorithms, the topic is still finding little resonance in German-speaking marketing departments. On average, only one in five companies would like to focus on AI this year.

Focusing on

Voice assistants



Amazon Echo or the Google Home Pod are changing the way content must be designed. Highly individual content takes precedence over mass suitability. The topic of voice search is also very popular in the specialist media. However, if one now looks at the development of the topic over time, fewer and fewer companies seem to be interested in implementing this in

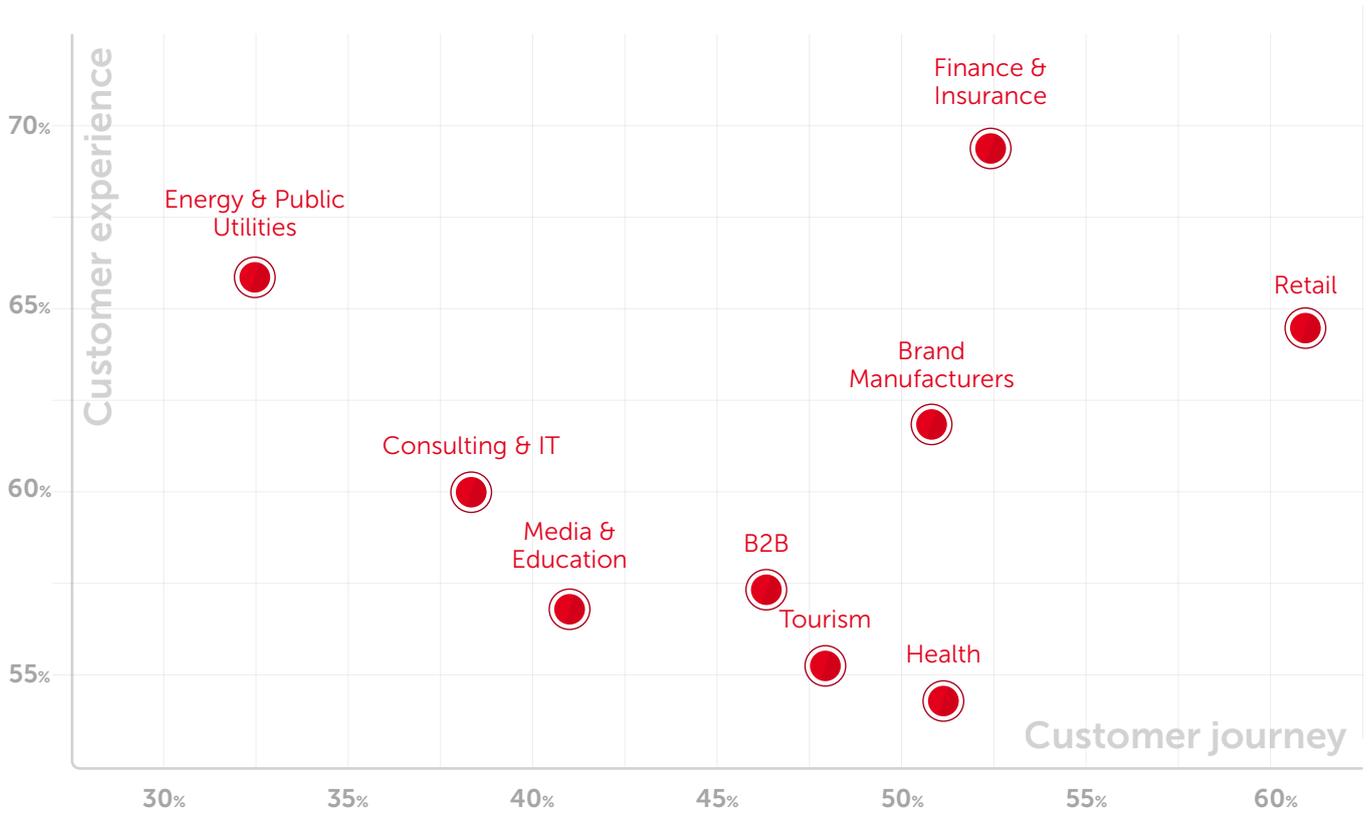
practice. However, what is open to question is whether the surveyed companies really do not see any relevance in the topic at present or simply do not yet have a concrete roadmap for optimising their content in terms of “visibility” in Voice Search.

Customer Experience vs. Journey

The customer experience and customer journey in detail

02

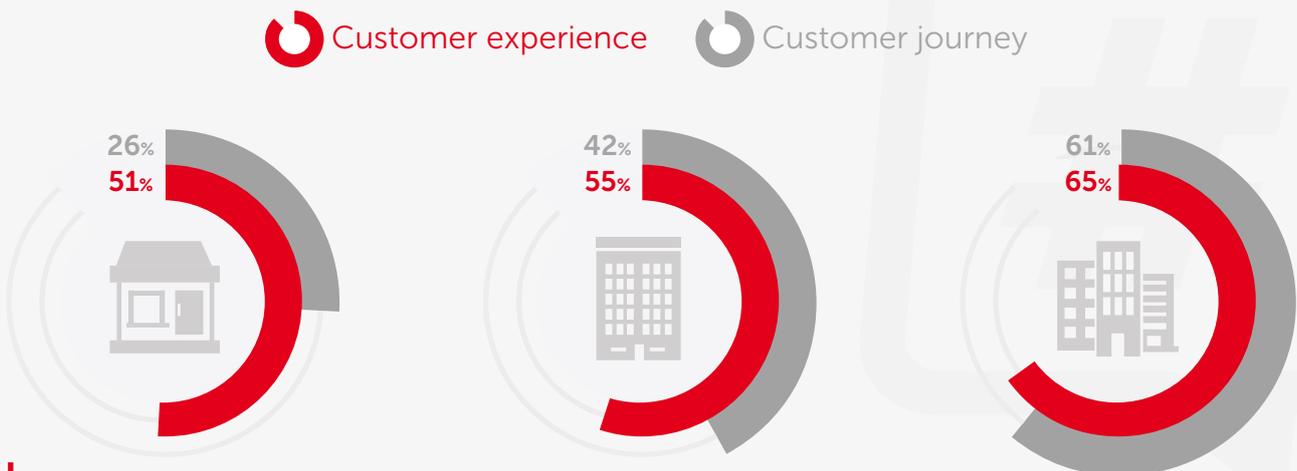
Marketing topics



While six out of ten retailers are looking to better understand their customers' journey and analyse the individual touchpoints and their advertising impact, this year the Finance sector is aiming more at improving the overall customer experience at the individual touchpoints. There is also a clear trend if we

look at the relevance of the two topics based on the size of the company. Thus, customer experience has a certain basic relevance in small, medium-sized and large companies. On the other hand, interest in the customer journey declines with decreasing company size.

The topics Customer Experience and Customer Journey by company size:



Artificial Intelligence in Marketing

How great is the interest in AI applications in marketing?

Focus this year on Artificial intelligence:

Retail



Finance & Insurance



Consulting & IT



Health



Energy & Public Utilities



Tourism



Media & Education



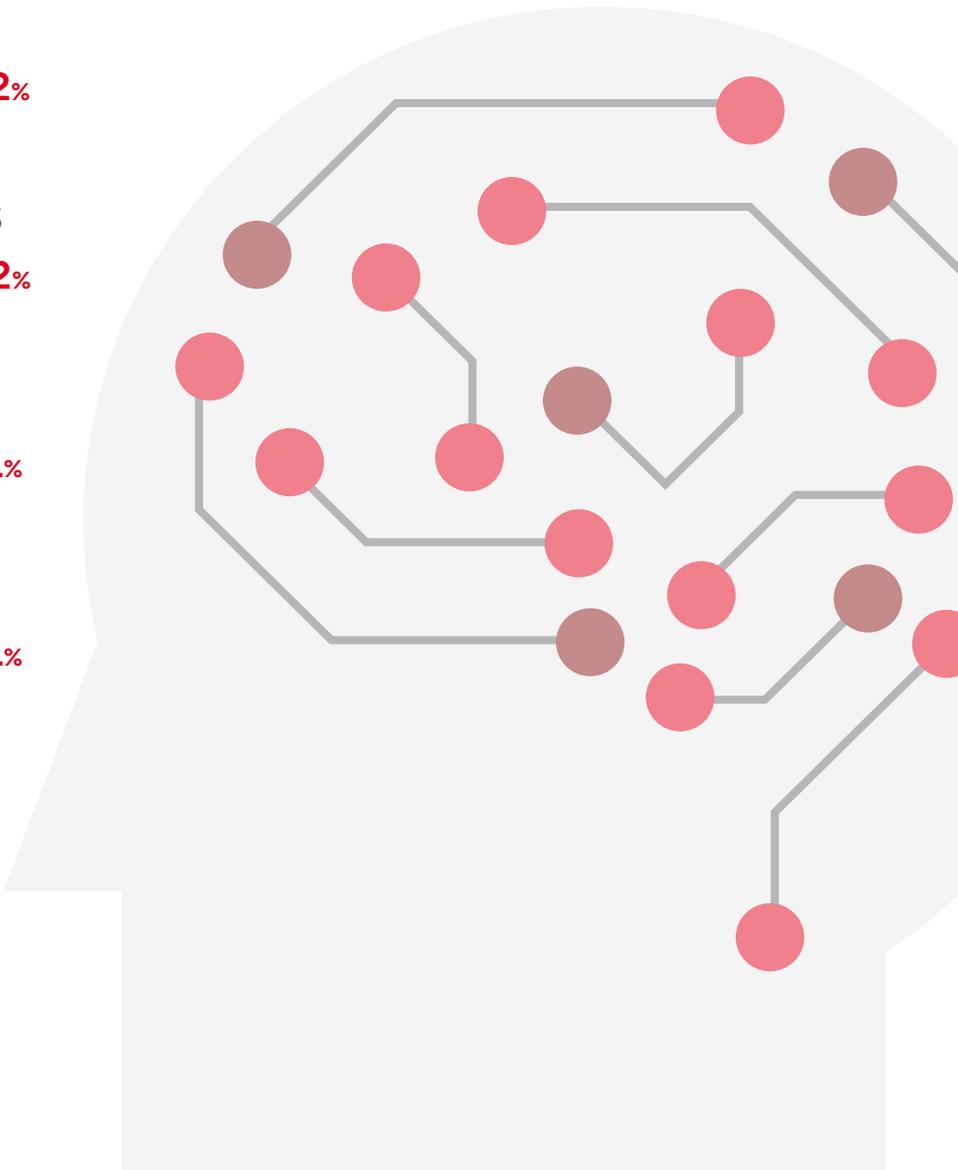
Brand Manufacturers



B2B Companies



In the approach to artificial intelligence, the study shows large differences between the nine sectors. While almost one in three retailers would like to deal with the topic of AI this year, the number is half as many in the B2B Companies sector. This great interest in artificial intelligence in the Retail sector could be mainly related to the fact that many retailers would like to deal intensively with self-learning recommendation engines in order to be able to make even better suggestions for the individual "Next Best Offer" in the future.



B2B vs. B2C

What differences are there between the B2B and the B2C sectors?

02

Marketing topics



If we look at how the relevance of individual marketing topics in the B2B and B2C sectors is distributed, it can be discerned that most topics enjoy greater attention in the Business-to-Consumer sector. Surprisingly, the greatest discrepancy is in personalisation. While more than 60 percent of companies targeting end customers want to continue working on segmenting and individualising their customer

approach this year, this figure is only 45 percent among the B2B respondents. The topic of personalisation is also highly relevant when addressing corporate customers and can even lead to a competitive advantage. On the other hand, however, it is good to see that the topic of data quality does not show any significant difference between B2B and B2C.

Data-Driven Marketing

How strong is the focus on data-driven marketing?

Focusing on marketing automation, personalisation and data quality this year



Data is the gold of the 21st century – many larger companies have understood this and are trying to use the collected data to gain a 360-degree view of the customer and to further personalise their own communication and adapt it to the individual wishes of the prospective customer. The heightened demand for data-driven marketing is also reflected in a comparison between 2019 and 2020 – there is a seven percent year-on-year increase among those who want to focus on the topic of automation, personalisation and data quality compared with the previous year. Brand manufacturers in particular want to make progress here – every second respondent in this sector wants to take a closer look at the topic of data-driven marketing in 2020.

It is worth noting that small companies in particular plan on working on the topic of data-driven marketing with below-average frequency. This is despite the fact that data-driven marketing can also have many advantages for small companies – be it streamlining and

automation of marketing processes or the segmented control of measures to target communications more accurately. These advantages are not negligible, especially in view of the frequent scarcity of resources in small companies.



Small companies



Medium-sized companies



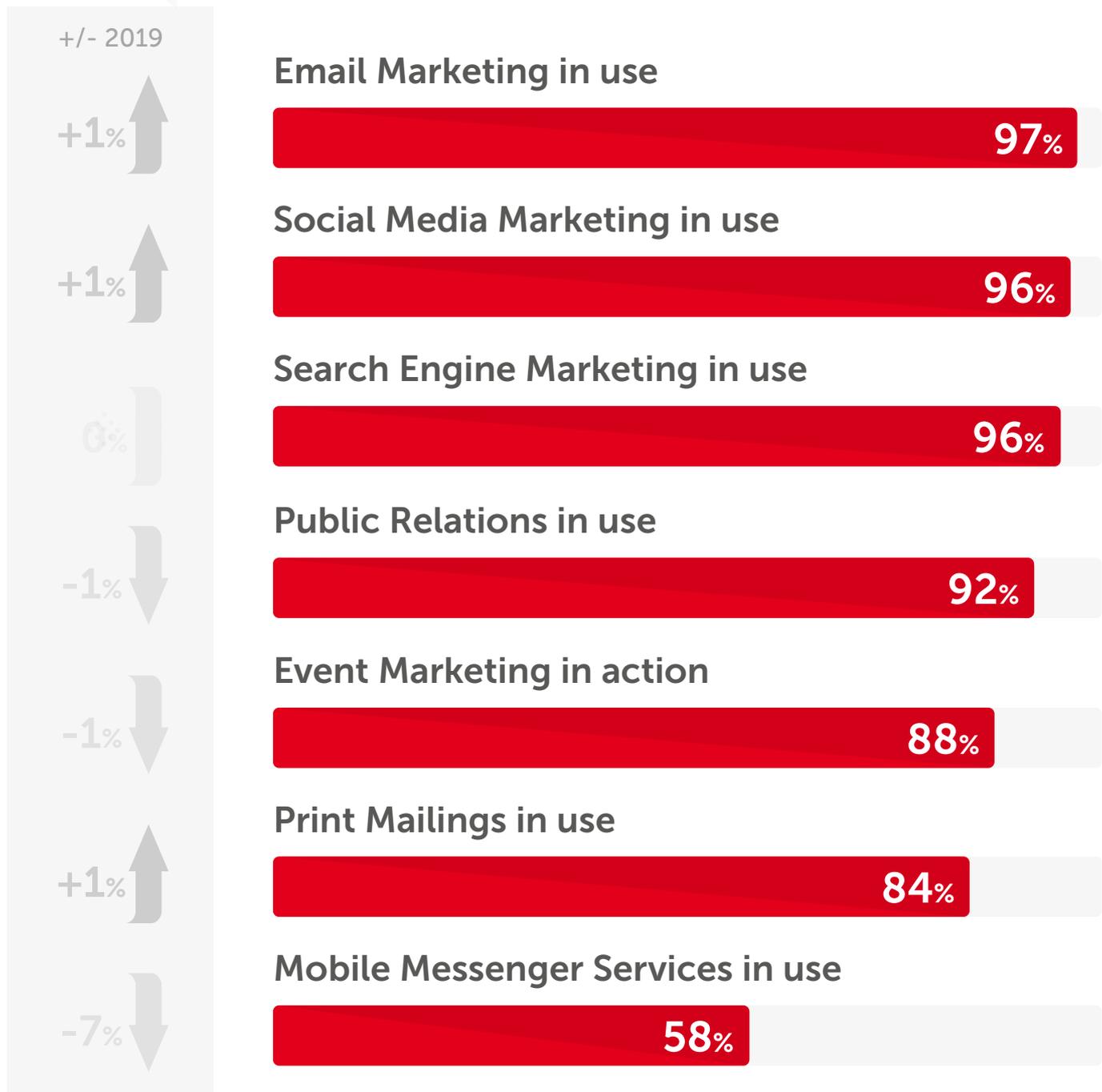
Large companies

Marketing Channels in Use

Which channels are actively used?

03

Marketing channels



This year, email, social media and search engine marketing remain the undisputed top channels for the companies surveyed. The biggest change can be observed in the use of Messenger Marketing as a channel. WhatsApp's restrictions on newsletter communications has left its mark, resulting in a seven percent drop in the use of messenger services as a marketing

channel. It seems, therefore, that instead of switching to a different messenger service or switching from push to pull communication, the companies surveyed have completely scrapped marketing activities via this channel and removed them from their marketing mix.



Messenger Marketing used less frequently by small companies

46 percent of the small companies surveyed include messenger services in their marketing communication. The figure is 55 percent for medium-sized companies and as much as 63 percent for large corporations. The use of messenger services and chatbots can be a resource-saving factor for customer support in particular; a point not lacking in complete relevance, especially for small companies.

The Health sector holding back on use of messenger communication



The survey showed that the Health sector is also holding back somewhat on the use of messenger services this year. 53 percent stated that they actively communicate with their customers and prospects via messenger services. There are really a lot of opportunities to use mobile chat platforms in this field – be it the automatic answering of questions about medication or an online symptom check.

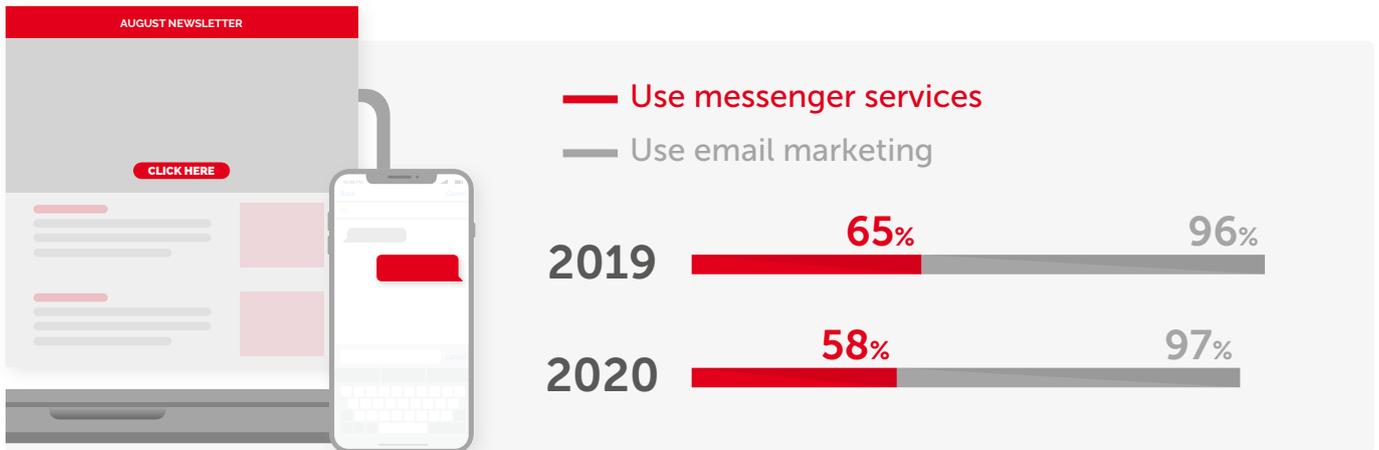


The Finance & Insurance sector relies on print communication

Although print mailings are used less and less by many companies from year to year, 91 percent of the Finance & Insurance companies surveyed still rely on postal direct mailings to attract new customers or to stay in contact with existing customers.

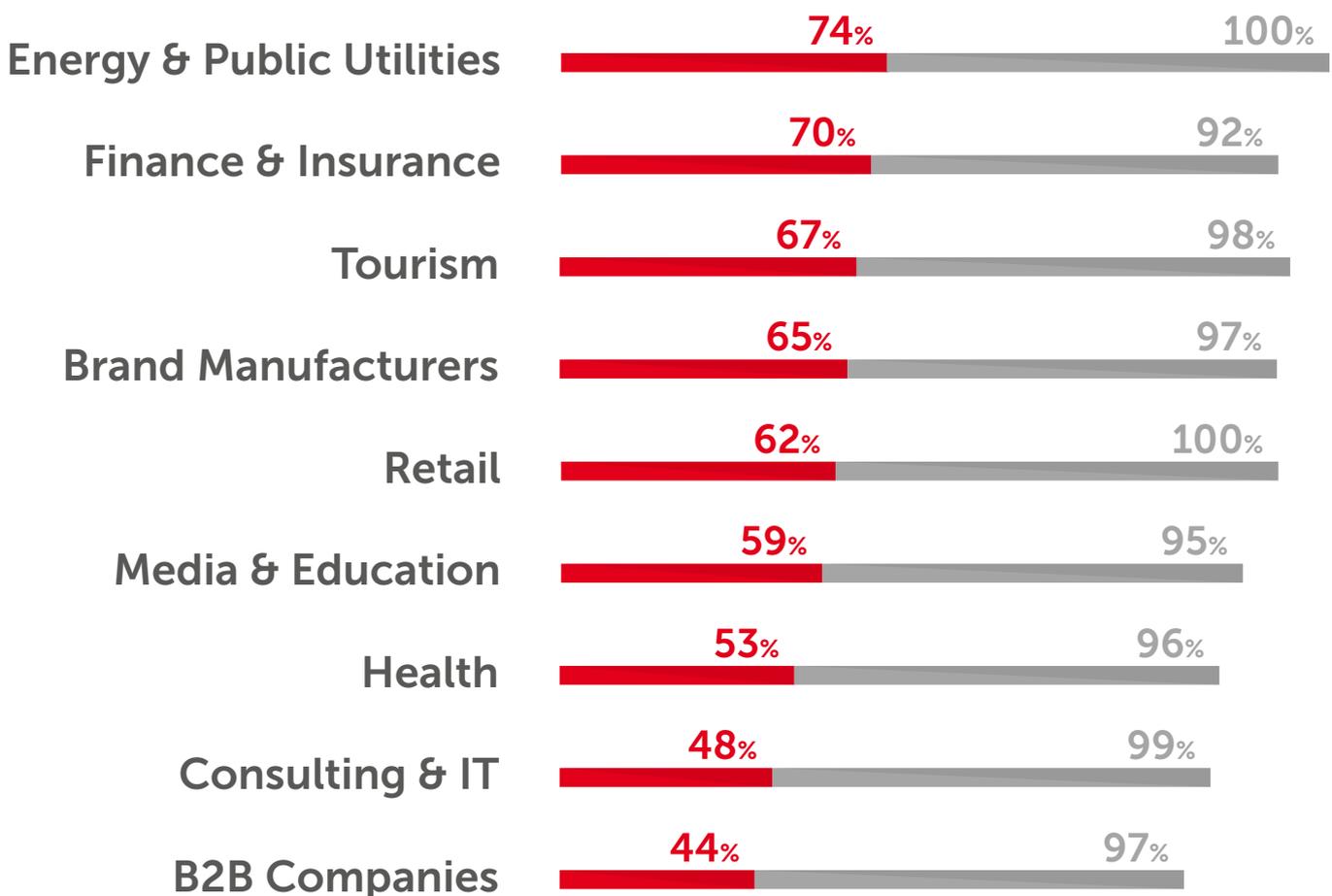
Email vs. Messenger

Is email dead again?



Messenger Marketing – the end of the good old email, or the extended arm of digital dialogue marketing? This is a question which has been discussed more frequently in the last two years. The figures point more to the latter – for example, the use of messenger communication has displayed no negative

impact on the use of email marketing. Rather, messenger services and email are both used in many marketing departments and are used to provide customers with a more diversified communications portfolio, not to replace one channel with another.



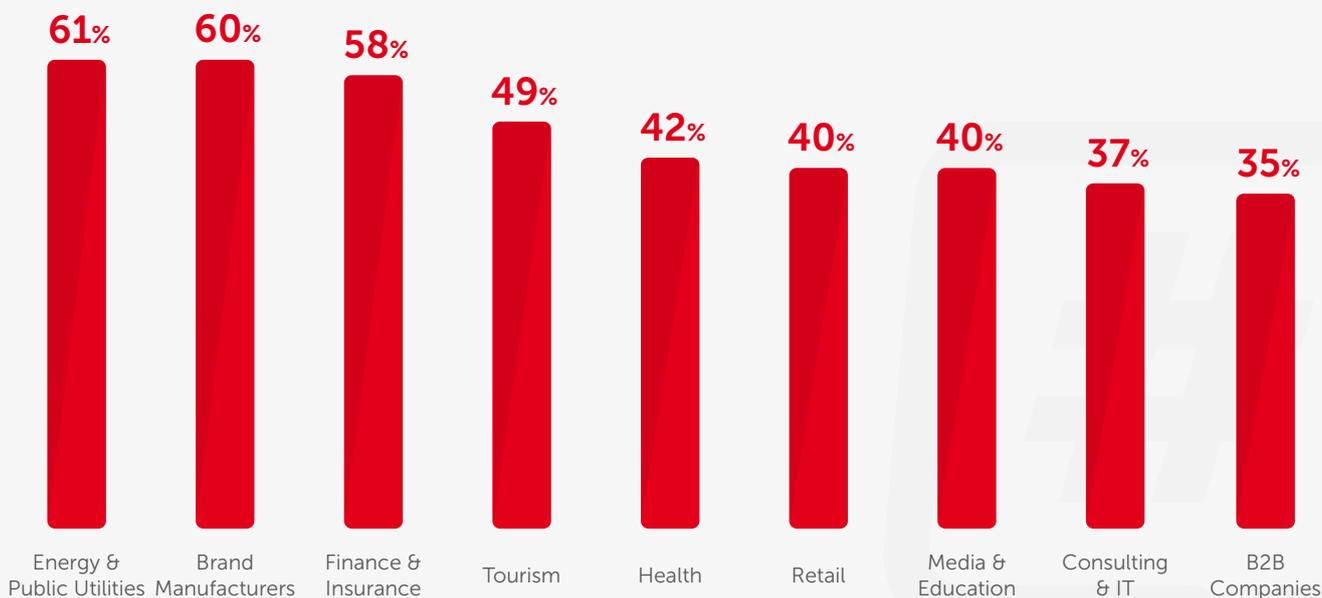
Omnichannel Communication

Use of omnichannel communication



Cross-channel communication is becoming more and more important as society becomes increasingly digitalised. Customers are now more likely to use a variety of media and platforms. The number of touchpoints between companies and prospective customers is constantly increasing and the information and experience at these touchpoints is becoming more and more important for the purchase decision. Those who are not present on all channels will find it increasingly difficult to acquire new and prospective customers. It is therefore gratifying to see that 44 percent of the companies surveyed already use email marketing, social media marketing, search engine marketing, public relations (PR), event marketing, print mailings and mobile messenger services.

Use of omnichannel communication by sector:

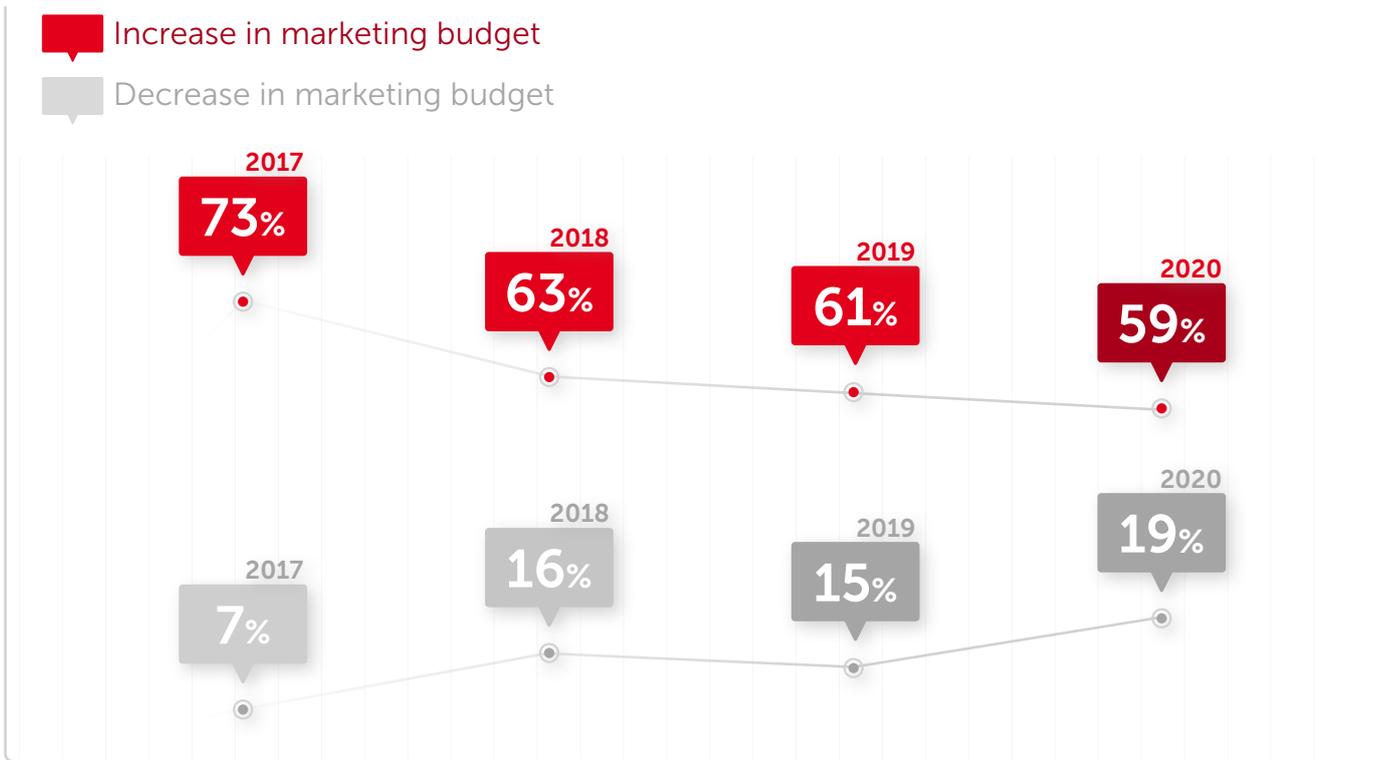


Budget Changes - Overall

How are overall marketing budgets changing?

04

Budget changes



The downward trend in the increase of the marketing budget is still visible but has remained relatively constant over the years. The difference of two percentage points compared to the previous year is just as high as the difference between 2018 and 2019. What is surprising, on the other hand, is how the proportion of companies who clearly indicate that they want to reduce their budget

this year is changing – almost one in five want to invest less in their own marketing in future. The question here is whether the declining willingness to invest is due to more cost-efficient advertising measures, the loss of marketing channels, or budget shifts to other areas of the company.



22 percent

of the respondents neither increased nor decreased their budget.

12 percent

of the surveyed companies are restructuring their current marketing budget between channels.

10 percent

of the companies surveyed are making no changes to the current budgeting of the individual channels.



Budgets in the Tourism sector are those stagnating the most

In almost every third company in the Tourism sector, the marketing budgets have neither been reduced nor increased this year. Of these, 16 percent did not make any changes to the existing budget and another 14 percent redistributed the budget between the individual marketing channels.

B2B companies carried out the most budget cuts



The industry with the most budget cuts is the B2B sector – a full 28 percent of companies here say they will invest less in their own marketing activities this year. Compared to the previous year, the share has grown by a full eight percent. One reason for this could be that B2B companies surveyed are increasingly investing this money in technology to improve data quality, thus reducing any scatter losses in marketing communication.



Large corporations investing the least on average

When comparing the additional investments based on company size, it is evident that large companies are significantly more averse to investment (53 percent) than small companies (64 percent each). The percentage of companies that want to cut their marketing budget is even twice as high in large corporations as in small companies.

Budget Changes – Sectors

How are overall marketing budgets changing?

While the B2B companies surveyed are somewhat more cautious about budget increases this year, brand manufacturers and companies from the Energy sector in particular have an above-average investment. This confirms the changing approach of brand

manufacturers, who are increasingly trying to gain direct access to the end customer and thus build up their own pool of CRM data.

Increase in marketing budget

Brand Manufacturers

65% are increasing marketing budget



Energy & Public Utilities

65% are increasing marketing budget



Media & Education

64% are increasing marketing budget



Consulting & IT

63% are increasing marketing budget



Retail

61% are increasing marketing budget



Health

60% are increasing marketing budget



Tourism

56% are increasing marketing budget



Finance & Insurance

55% are increasing marketing budget

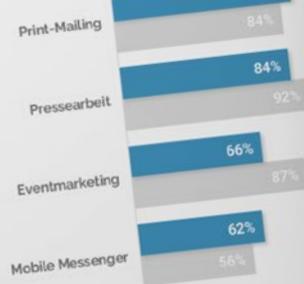


B2B Companies

50% are increasing marketing budget

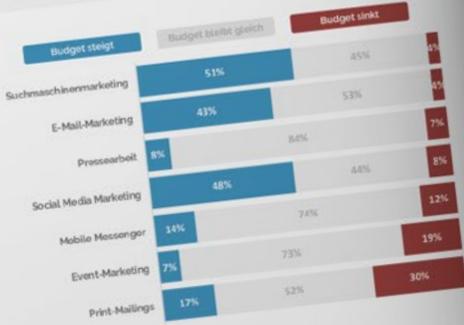


DIGITAL MARKETING TRENDS 2020

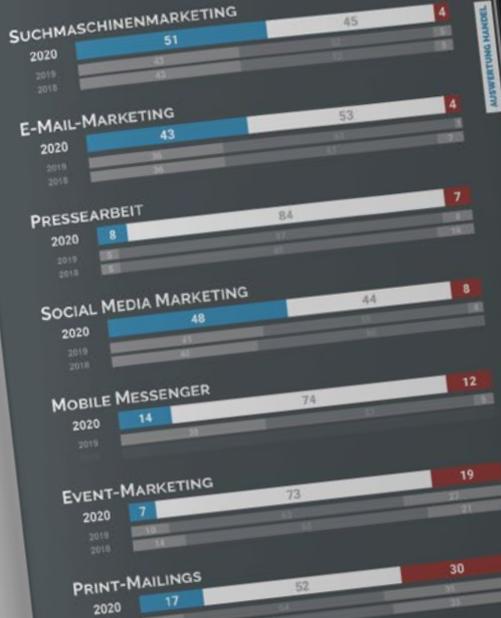


BUDGETVERÄNDERUNGEN 2020

ALLGEMEINE FAKTEN ZUR VORLIEGENDEN STUDIE



WIE HABEN SICH DIE BUDGETS DER KANÄLE ÜBER DIE JAHRE VERÄNDERT? ANGABEN IN %



Sector Insights of the (German-Language) Standard Version of the Trend Survey:

- Find out **what the marketing trends in your sector are**
- Find out **how budgets are changing in your industry**
- Find out **which channels are most important in your sector**

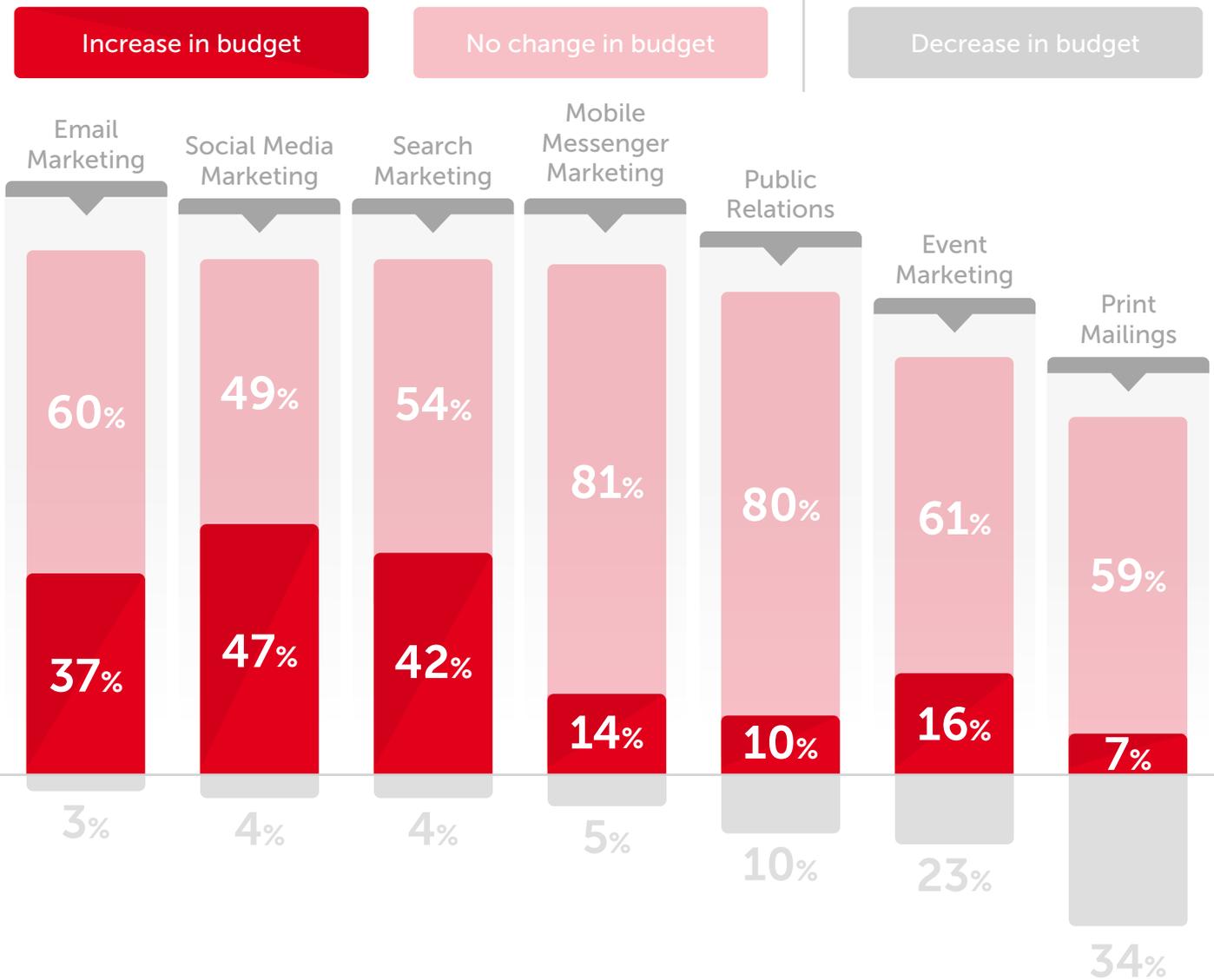
Order now

Budget Changes – Channels

How have the budgets of the individual channels changed?

04

Budget changes



Email Marketing remains the central channel and is where the least budget cuts are planned. Search Engine and Social Media Marketing are also almost completely spared from cuts in funding and instead can expect a large budget injection – more than one in four companies are planning more money for these channels. When it comes to Messenger Marketing, many companies are still keeping a low profile – they rarely invest more. However, only a few companies are cutting their budgets. Many companies are likely to wait for future

developments at WhatsApp and the like before making further investments in the channel.

In contrast, the classic advertising channels can hardly expect any growth: Only around one in ten companies want to invest more in PR or print mailings. The development of budgets for events and functions is also interesting. In spite of the consistently high cutbacks, there are more and more companies that are budgeting more for this area.

Online vs. Offline Budget

How are online and offline budgets changing?

Increase in

Online Budget



As was the case last year, the majority of the budget increases are taking place in online channels such as email, social media, search or messenger services. Almost 70 percent of those surveyed said that they would like to spend more on one of these channels. There is no significant difference between the willingness of small, medium-sized or large companies to invest.

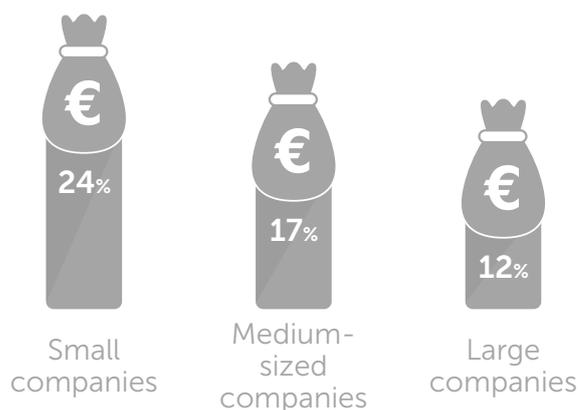


Increase in

Offline Budget



In contrast, offline channels, such as classic event marketing or print mailings, aren't doing so well – here, only a little more than one in ten companies are budgeting more. Only the small companies surveyed are planning significantly more often to spend more on classic offline advertising – almost 25 percent intend to invest more here in 2020.

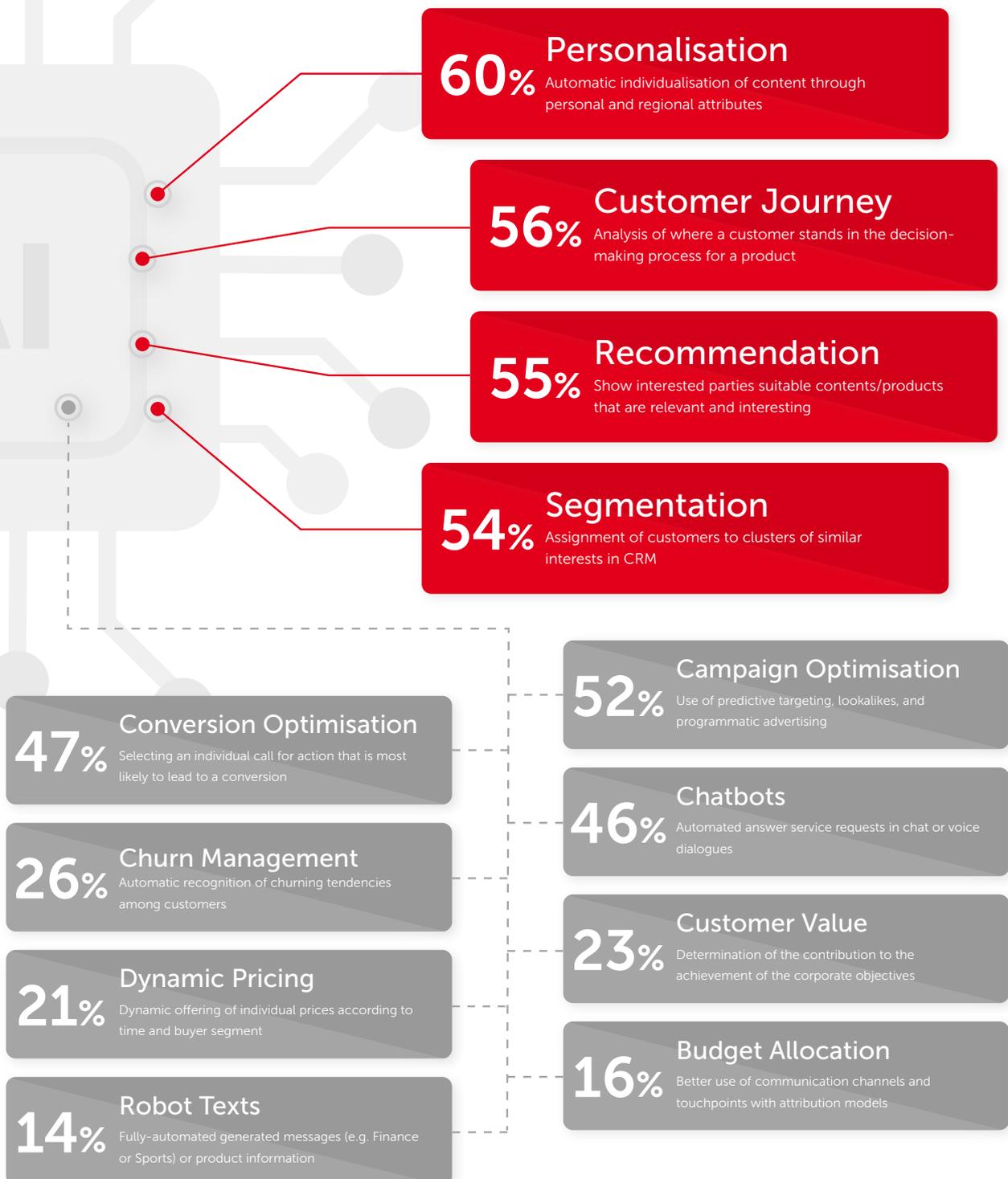


Opportunities of AI in Marketing

What are the possible applications of AI in Marketing?

Artificial intelligence and self-learning algorithms can also be used in a variety of ways in marketing. The surveyed companies see the most promising opportunities of all in the area of personalisation.

Among other things, AI can be used here to analyse and segment CRM data in order to provide the customer or prospective customer with the content that is most likely to lead to a conversion.





Tourism sector sees AI as a relevant factor for chatbots

Chat offers in the Tourism sector can be a very useful tool to make it easier for customers to gather information, make decisions, and book travel. So it is no wonder that 56 percent of the tourism companies are of the opinion that the chat offers used so far can be improved by AI.

Retailers see AI as an opportunity for better churn management



Winning new customers is existentially important, but people often forget to look at the other end of the stick – the early flagging of customers who are leaving. 43 percent of retailers see a great opportunity here for AI. For example, it is possible to calculate the ultimate contact time at which a customer is most likely to leave the company.



Finance & Insurance sector relies on robot texts

Around one in five companies in the Finance & Insurance sector see automated content creation as a relevant factor of AI – more than in any other industry. Surprisingly, this figure is only 13 percent in the Retail sector, even though product descriptions and generic product texts could prove to be a major area of application here.

absolit Dr. Schwarz Consulting advises companies on the integration of email into their marketing mix. Benchmark studies on email and digital marketing explore the market. Seminars and in-house workshops convey current practical knowledge.

THE AUTHORS



Dr. Torsten Schwarz

CEO



Danylo Vakhnenko

Research Director



PICTURE RIGHTS

Freepik, Pixabay



DISCLAIMER

All information contained in this survey was compiled to the best of our knowledge and checked by the authors with the greatest possible care. Nevertheless, errors in content cannot be completely ruled out. Therefore, the information is provided without any obligation or guarantee on the part of the authors, who also accept no responsibility or liability for any inaccuracies in the content.



IMPRINT

absolit Dr. Schwarz Consulting
Melanchthonstr. 5
D-68753 Waghäusel, Germany
Tel: +49 07254 95170-0
Email: info@absolit.de



Imprint

eco – Association of the Internet Industry

Lichtstrasse 43h
D-50825 Cologne, Germany

Tel.: +49(0)221 – 7000 48 – 0
Fax: +49(0)221 – 7000 48 – 111

Email: info@eco.de
Internet: <https://international.eco.de>

Register of Associations:
District Court (Amtsgericht) Cologne
Association Registration Number: 14478

Sales tax identification number:
VAT ID: DE 182676944

Board of Directors:
Oliver Süme (Chair)
Klaus Landefeld (Vice Chair)
Felix Höger
Prof. Norbert Pohlmann

CEO, Managing Director:
Harald A. Summa, Alexander Rabe

Digital marketing and the resulting trends, channels and developments are becoming ever faster and more complex. This survey aims to show which current trends companies are really addressing, what relevance certain online topics have in practice, and how budgets for individual marketing channels are changing.

Online marketing managers from 923 companies in nine different industries were surveyed.