

Key trends in e-commerce and digital marketing for 2022-2025: How to create impactful ad campaigns

With insights and examples from leading agencies



#### Intro

It should come as no surprise:
the way you're advertising is
now more important than
ever. As a marketer, you know
full well just how high your
audience's expectations
are – in a noisy online world,
they want personalized,
omnichannel, catchy
experiences.

The reality is that it's becoming more difficult to stand out and target the right person, at the right time, on the right channel.

But you'd think that advertisers know more about their audience than ever before, right? They should be able to use all the information to offer a more personal, customized ad experience, surely?

Well, it's not quite that simple – despite the influx of options, it can be hard to derive meaningful insights from all the rapid changes, data, and drastic transformations happening in this space.

Identifying the right insights is key to creating engaging ad experiences at scale while keeping it personal, but it's a huge challenge to find the signal in the noise. That's why we're so excited to help you find this signal and surface the most valuable insights shared by key leaders from the digital marketing space.











#### Context

As the digital marketing space is evolving fast, we've gathered all the key insights to help you make better decisions and create a winning online marketing strategy.

In this ebook, we asked 14 digital marketers and e-commerce specialists representing partner agencies that work with us on a daily basis what their take is on the e-commerce and digital marketing space in the next few years and how it will impact the way we advertise and engage with our audience online. Read through to learn all about it.



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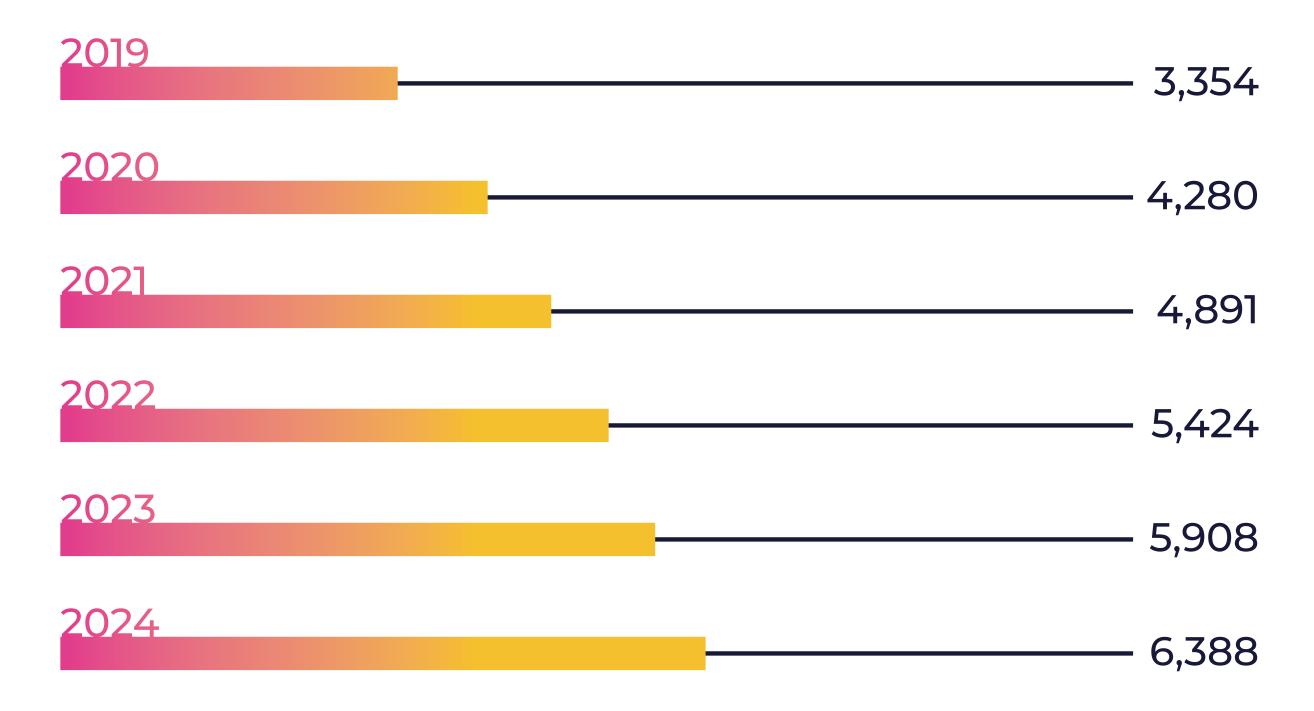
Part 01

## The state of e-commerce





The evolution of retail e-commerce from 2019 to 2024 (in billion dollars).





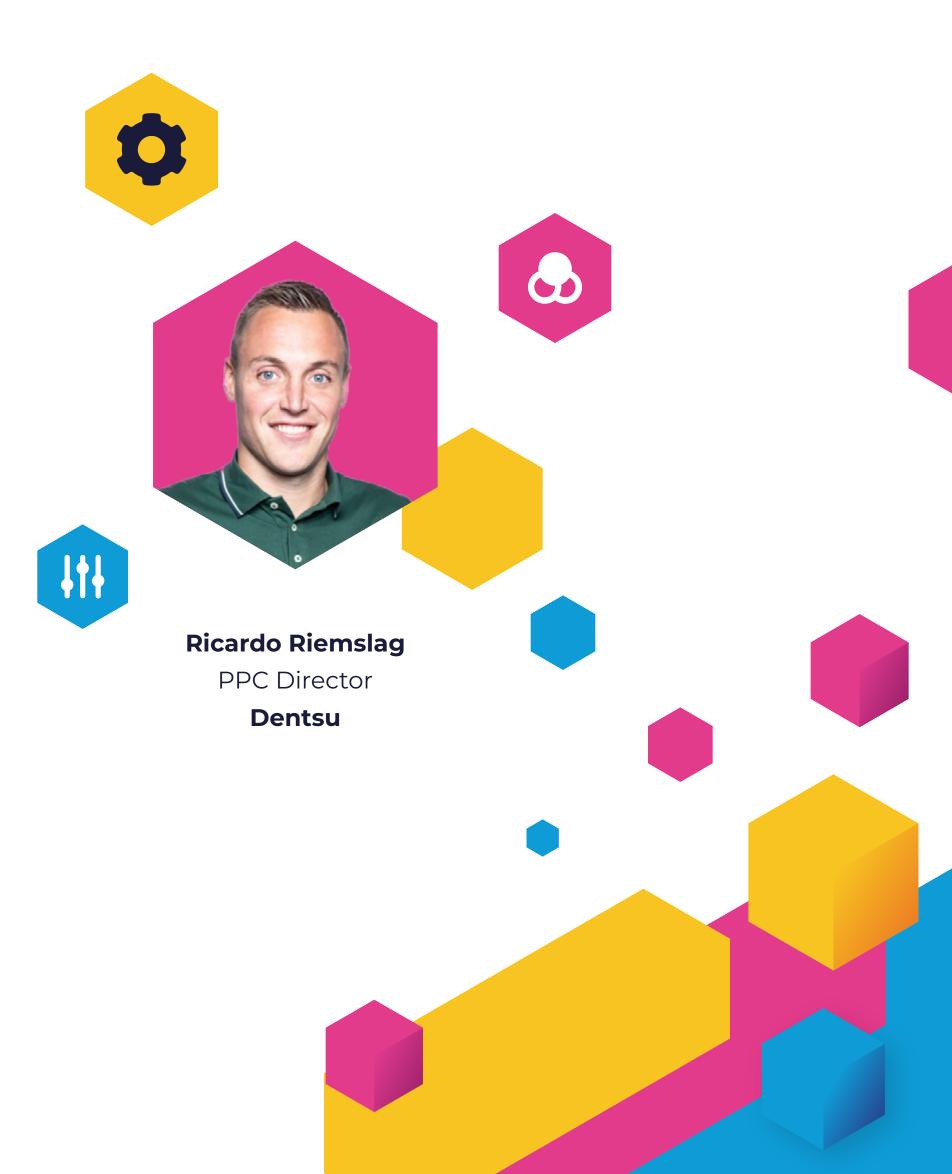


#### Continuously testing your omnichannel strategy

Despite the fact that
Google has made it easy
for retailers with pMax to
set up an omnichannel
campaign in one go, I
don't think all retailers
will have fully mastered
this by 2025.

In my view, an omnichannel strategy is more than just the implementation of various channels.

Collecting these channels and determining the value of a channel makes an omnichannel strategy successful by using first-party CRM data and measuring and valuing conversions. However, the incrementality can differ per campaign, which affects the conversion value you use in your conversion model. We want to keep on increasing tests to compare and optimize campaigns within our omnichannel strategy. For this, we continuously look at incrementality and value fluctuations."





#### Mobile experiences will become more popular

Our priority at Havas is to be aligned with future trends. We promote campaigns with inapp results that drive valuable users to mobile interfaces.

We make an effort to improve results in multi-device formats, making full use of e-commerce regardless of the medium.

We know that the shopping experience is a high value for users and we want them to be satisfied during the conversion process and make it optimal and accessible for any device.

We currently have an analytics project in charge of collecting data from the user's purchase process to obtain the best insights and turn the mobile experience into one of our main data sources."





### A focus on personalization at a very granular level

With all the issues surrounding cookie storage, it's becoming increasingly difficult to continue targeting locally and contextually - I see this as an opportunity to be and remain distinctive.

Many retailers have valuable first-party customer data, but do not yet use this. By already investing in the correct first-party data storage, you can create an advantage over your competitors. By adding first-party data as an extra layer to the campaigns, you can target your audience very specifically with super relevant ads."





### A focus on personalization at a very granular level

For any digital agency, personalization is one of the main challenges and an increasingly desired goal. User information in real time is a primary factor in achieving this highly accurate and constantly evolving data.

Through the user location and interaction, we can obtain an efficient low funnel, in which we can personalize and promote a product or service with a high conversion rate—and even attract new users in a not so low funnel.

We currently have multiple formats fully compatible with the user's geolocation. Imagine a retailer capable of promoting a physical product in a store, city, or neighborhood through social ads or through an audio promo inserted in a playlist or podcast. It's, without a doubt, a very promising way to improve relevant impressions for all users and, therefore, bring high-value audiences and actions to our clients."





#### Social channels will overpass the physical shopping experience through Augmented Reality (AR)

AR will be increasingly used, especially in certain verticals of online retail like home interior, fashion, and beauty where the use cases are quite obvious from a creative and UX perspective.

I've seen AR formats becoming more popular and I think the development in this space will become more prominent in the future. AR will be quite handy when showcasing different looks or styles when considering purchases within these verticals, without the need to visit a physical store to have that experience.

At the moment, there aren't too many vendors in this landscape that can offer scalable solutions to create AR formats for retailers, but a few come to mind like Spark AR, and also Snapchat and TikTok integrated solutions.

On the other hand, you need specific skills to design AR experiences, which creates challenges for creative and tech teams. This might slow down the pace with which retailers and advertisers can invest in this space, and get these kinds of experiences out there for digital audiences to enjoy."





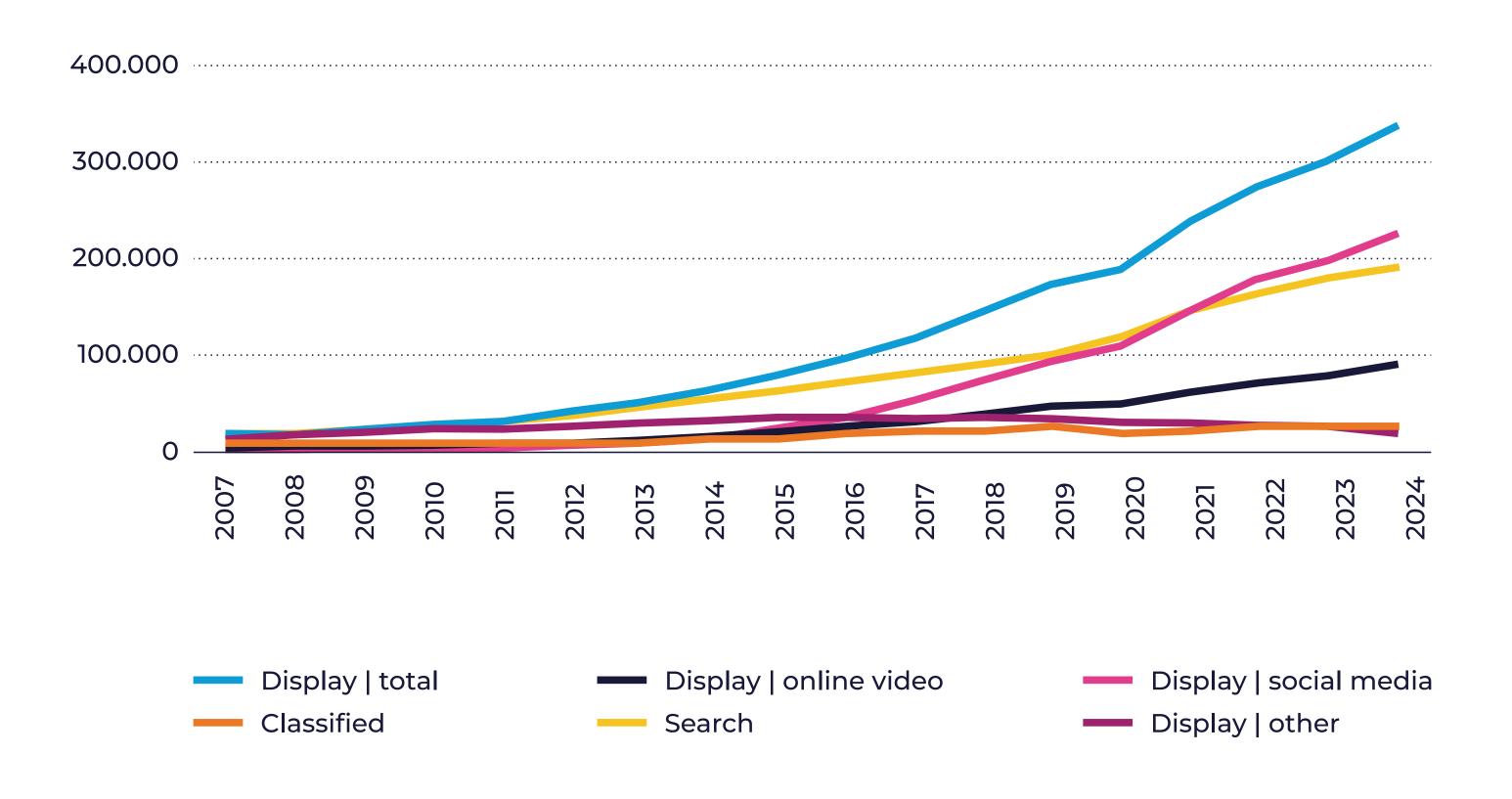
Part 02

## Navigating the PPC world





Internet advertising spending worldwide from 2007 to 2024 (in million dollars).





Source: Statista

#### Personalization will be at the center-stage of campaigns

Paid Search will continue to be present thanks to voice searches, regardless of the devices with which we interact whether it's smart TVs, smartphones, cars, home security, etc. This is going to be the main focus for Google Ads without forgetting the personalization and the visual part of the ads.

Omnichannel will be more important in our digital campaigns and strategies, creating 360-degree experiences regardless of where the user is (physical store, e-commerce), what device they use, or where they end up making their final purchase.

In other words, we're going to move into a territory where automation, machine learning, and artificial intelligence will prevail over the rest, putting the user at the center of the strategy, and seeking maximum personalization in ads."





#### Personalization will be at the center-stage of campaigns

Google indicates that
we are now in the
"Predictive Era", coming
from the "Broadcast"
and "Precision Era"
(targeting the right
customer at the right
time).

Google Ads products will adjust accordingly to these developments. Signals and data from Search, Display, and Video promotions are combined and provide insights for the future needs and interests you can anticipate using Artificial Intelligence and Machine Learning. Performance Max is an example of this – it combines well with first-party seller data such as a 'recent' customer match list.

Enterprise software like Google Marketing Platform will offer large advertisers just a little more control and adjustments to meet their branding objectives in addition to their performance targets."





#### Leveraging Smart Bidding optimization to drive results

We will see a world in the not so distant future where you can't set manual bids as we know them today.

This is because of two reasons:

- Smart Bidding is moving to a direction that allows some elements of user input. Bidding is a math problem and computers are simply better at math than we are.
- 80% of PPC managers are struggling with bid management. So this will be a low-hanging fruit for Google to produce better results while increasing competition like CPCs and revenue for key auctions.

As Google works towards adding more user input into Smart Bidding (CPCs, data exclusion, seasonal bid adjustments, new customer acquisition rules, and general

value rules), the old-fashioned way of setting bids per keyword/product level will go away.

It's always been a paradox that you are not bidding for the actual search term anyway (unless you've only used Exact Match), so I do believe that learning how to optimize Smart Bidding is the way to go."





#### Leveraging Smart Bidding optimization to drive results

Bids and final costs in Google Ads have always been dynamic. Your bid is not necessarily what you pay for that click, impression, or view. In the auction, based on relevance plus bid, the winner of the ad spot is ultimately determined and also becomes the final cost, both in search, shopping, display and video.

Recently, the options in campaign goal settings and the associated conversions have expanded. This makes smart bidding possible for not only sales targets, but also consideration and branding via 'soft' conversions.

At Artefact, we see three basic elements for optimalization, besides the choice for tCPA or tROAS and the smart bidding target:

• Make maximum use of your 'conversion' input for the specific campaigns; this is data that only you as an advertiser can provide.

- Use 1<sup>st</sup> Party Seller data (e.g. customer match) for audiences and segment them well based on pCLV, recency, demographics, etc.
- Creation; continue to test and optimize the copy, images, and videos."





#### Scaling your efforts with feed management

Some accounts we audit are becoming simpler and more streamlined for Smart Shopping. But for larger e-commerce retailers, there are so many nuances to consider to effectively manage the ad account inline with business goals and profitability.

Currently, we're building internal systems to monitor performance and fluctuations, allowing us to deep dive into the areas which need attention as a priority.

That said, it's an ever-evolving space, and being omni-present for the right consumers is key. We then share learnings across our team, as we see what works best in certain accounts, industries, and platforms.

Automating some of these routines is key to allow us (and our clients) to scale.

Using solutions like Channable for feed management, we can make feed optimizations once, and benefit from those improvements across all platforms (whether it's Google, Criteo, Amazon, Facebook Ads, etc) which is not just a smart use of time, but it helps deliver better results and improve return on ad spend."





#### Becoming more customer-centric through keywords that match the search intent

There are basically two layers of advertisers in Google's eyes: simple and complex setups. 90% of the features Google introduces in Google Ads is to serve the simple setups better. I don't use the term beginner vs advanced as you can have reasons to be advanced and run simple setups.

I don't think that Google will ever remove the option to use keywords. I'm sure they'd like to do it for the simple setups but I doubt that they will ever come up with automation good enough to completely remove the need for keyword management.

Just because two keywords convert the same way, it doesn't mean that, I as an advertiser, want to treat them the same. Let's say I was Under Armour and the keywords "running shoes" and "Nike running shoes" converted the same - would I want them treated the same? No.

Their latest move with removing Broad Match Modifier was a good one as it simplified the match type management. I be-

lieve they will focus on taking equivalent steps to simplifying the platform further without removing the ability to do basic keyword management."





#### Adopting a customer approach by going beyond the keyword

The whole review of search terms and use of exclusions is already obsolete on most accounts with the use of smart bidding technologies.

We're also using more broad-based keywords and DSAs (Dynamic Search Ads) on the more advanced accounts.

I don't think that keywords will disappear completely, but what is certain is that it's no longer a determining element of Google Ads campaigns. With the deployment of Performance Max campaigns, a considerable part of search campaigns will disappear."





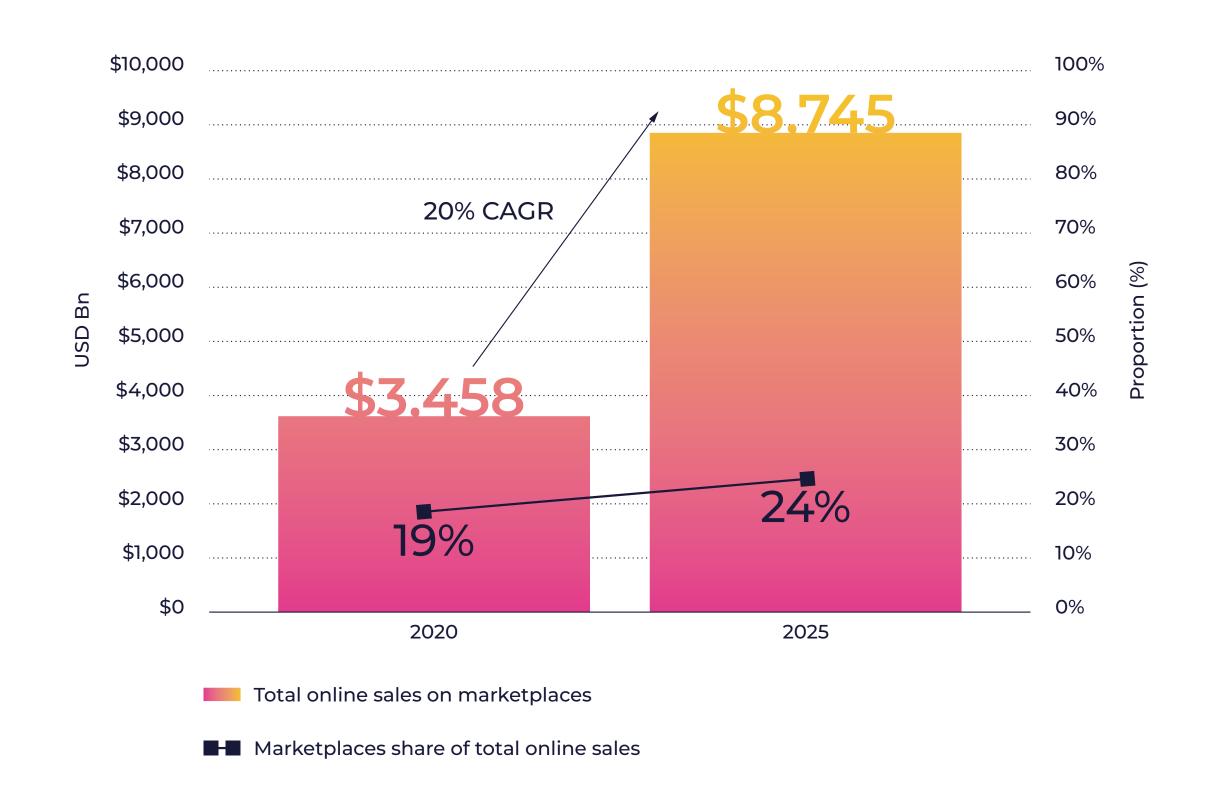
Part 03

# Staying connected on marketplaces



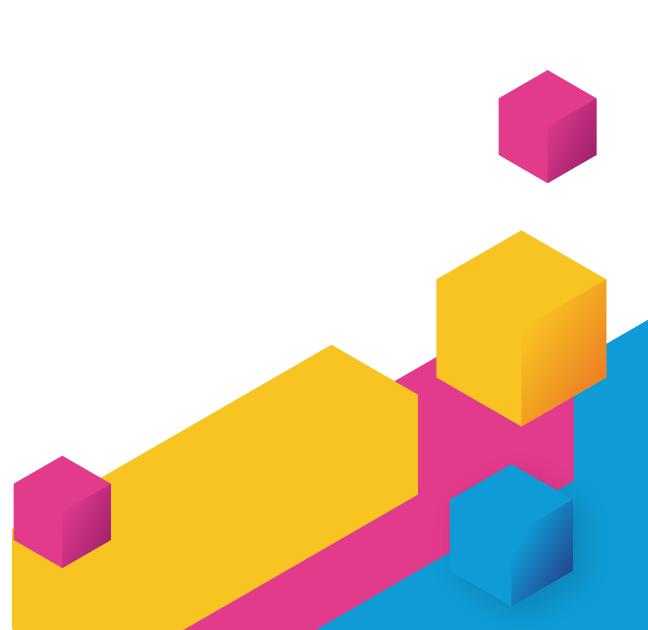


### B2C and B2B online sales via marketplaces from 2019 to 2025.





Source: Be STF research & analysis



#### A focus on more specialized marketplaces

General marketplaces
will continue to be the
main option for the
general public but
specialized ones will be
the client's objective
if they're looking
for a deeper level of
information.

These verticals usually have much more specific and concrete attributes that make a difference in new product communication options.

In Europe, we'll see more specialized marketplaces per sector. Some examples are Zalando and Asos, popular retailers for clothing. On the other hand, Amazon will continue to set the standard in the markets in which it's established, but in those where they're not, eBay continues to have an interesting market share. Manomano is including new categories in the marketplace and is also becoming an interesting channel for certain categories. Finally, we shouldn't forget those who compete with giants such as Bol.com in The Netherlands or Allegro in Poland."



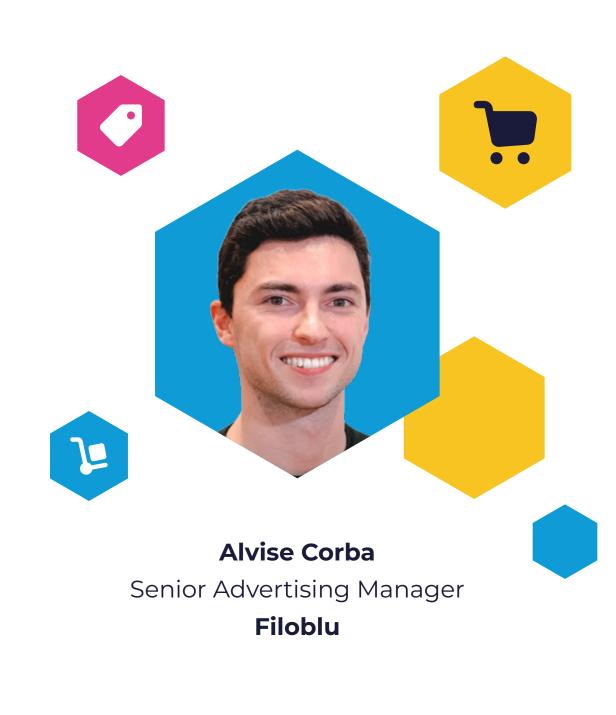


#### Increased visibility through marketplaces

Marketplaces are having a major impact on companies' business model.

They can play an important role both in the awareness level (by amplifying visibility and giving the opportunity to reach new markets) and on a service level (increasing brand loyalty by counting on service levels that are difficult to replicate on a direct e-commerce).

I wouldn't be surprised if the big marketplaces forcefully entered the offline market – Amazon is already taking its first steps with Amazon Go and Amazon Style."





#### Increased visibility through marketplaces

Logistics managed by marketplaces is on the rise, as well as the implementation of Amazon Prime-style subscriptions with special benefits for members.

Marketplaces as advertising platforms are becoming more common for brands that want to explore new options of product communication, offering more attractive and personalized product ads.

There's a surge for AI tools for cross-selling and branding. Slowly, we're seeing how more marketplaces allow brands to show their brand personality. The larger ones are implementing (or have already implemented) DSP platforms and the smaller ones are looking for new ways to break out of their initial limitations and expand internationally."





#### Increased visibility through marketplaces

The most anticipated product innovations are those that will attract brands which are still hesitating to start the marketplace adventure.

This will mainly involve three dimensions:

- The control of the brand image: The concept of "store" or "additional content" as proposed by Amazon, reserved for registered and identified brands, is starting to be adopted by other marketplaces such as Cdiscount. To increase the product offer and make it more qualitative (in terms of content), allowing brands to express themselves fully will become essential.
- Advertising: Competition is getting tougher and standing out through advertising will become essential for brands but also for marketplaces if they want to develop.

■ Logistics: Not all brands are organized for BtoC and the possibility to delegate logistics, or even to be a 1st Party Seller marketplace supplier will be a very important facilitator to onboard the less-mature brands in e-commerce."





#### Dynamic Ads will be the norm to enable scalability

I strongly believe
Dynamic Ads is already
a requirement for many
advertisers. If you aren't
already leveraging this,
you are lagging behind
as these formats enable
scalability and relevancy
that the static variants
just can't achieve in
most cases.

A prerequisite to run dynamic ads is that your feed setup is up to date where solutions such as Channable can help companies become more "dynamic" in their marketing tactics. Additionally, dynamic pricing for retailers and marketplaces are crucial as the price is one of the most important factors when potential customers make their purchase decisions.

I've seen some exceptional results with our clients when working with dynamic pricing, not just from a conversion perspective, but also better visibility for listings in categories that directly drive increased volumes for merchants."





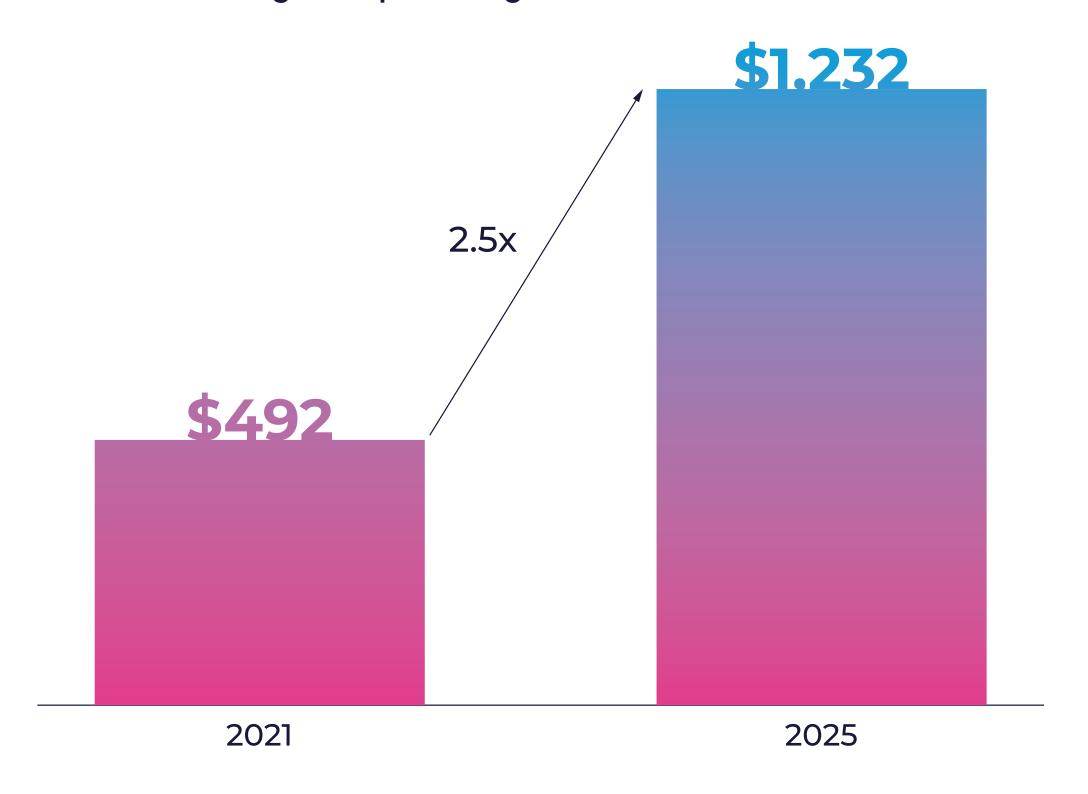
Part 04

## The rise of social commerce





#### The social commerce opportunity will nearly triple by 2025



Social commerce market size (GMV Billion USD)

- The current \$492 billion global social commerce industry is expected to grow three times as fast as traditional ecommerce to \$1.2 trillion by 2025.
- Growth is predicted to be driven primarily by Gen Z and Millennial social media users, accounting for 62% of global social commerce spend by 2025.
- Today, 10% of all e-commerce spend is done via social commerce. By 2025, this number will reach 17%.



#### Creatives will play an important role in feed-based campaigns

dreifive uses the performance design approach in social media advertising. In short: diversification through target group-optimized design of the creatives in conjunction with detailed A/B testing of the creatives.

Using this approach, we were able to significantly scale the performance of Facebook and Instagram Ads for Rhomberg Jewelry.

Creatives also play an important role in feed-based campaigns, which we implement for our client USM Haller. In our view, it's not enough to connect the packshots from the store via the feed. With Channable's feed management tool, we can easily and efficiently enrich the product data feed with mood images to improve the performance of social campaigns."





#### Creating engaging experiences for your audience

It all starts with being relevant for the customer. Don't just send out your message, but be part of the culture around the social platform.

Why are people checking out Instagram? Why are they searching on Pinterest? When you make the connection with the consumer, you will build a meaningful relationship.

For Dutch brands like Simon Lévelt, Thomas Vacuum & Carpet Cleaner and MKC Moto, we try to find that connection. For Simon Lévelt, we're looking for coffee lovers. For Thomas Vacuum & Carpet Cleaners, we reach out to pet lovers, and for MKC Moto, we build a community around bikers. These are topics that people love to talk about and start making a connection with our brands."





#### Leveraging social media channels for feedback

Short paths to conversion are essential. In our view, it's important to drive forward the all-encompassing integration of the store into the social network.

This is not just about displaying the products, but much more about the entire check-out process through to the purchase.

You need to create opportunities to show-case products. In the age of Web 3.0, user behavior is changing dramatically. Social networks must provide tools to take advertisers along in this development."





#### Leveraging social media channels for feedback

There is a big advantage for social commerce on the direct feedback you will get from customers.

You will definitely hear feedback from clients when they don't like your products.

The comments are sometimes filled with complaints, feedback or advice. It would be great if social platforms start implementing product review as a feature.

Influencers are making the first steps with paid product reviews, but the platform should start facilitating customers to share their experiences on products as well. Wouldn't it be great if you could see your friends' feedback on the products you are looking for?"





#### Personal data will become stricter

The regulation of personal data is becoming increasingly strict. With the announced end of third-party cookies for 2023, you might think that the future of sponsored campaigns is compromised.

In reality, it's more of a technological adjustment; Meta has already reacted by implementing the conversion API: data is no longer transmitted to Facebook via the user's browser but via the visited site's server.

It's only a matter of time before other players follow suit (Google has already started by creating the Privacy Sandbox, which will also allow data to be transmitted via API), especially since this method perfectly circumvents the hunt for cookies without reducing the quality and quantity of information transmitted."





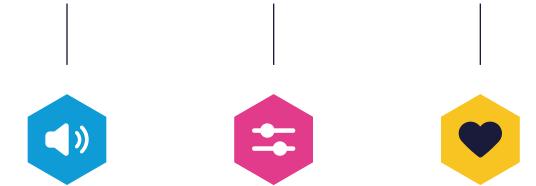
### The upcoming years will see unprecedented changes in the way we use online advertising to engage and interact with our audience, and there's

no turning back now.

#### Conclusion

With new tactics and strategies proving to be more crucial than ever to agencies' ongoing growth and success, we'll continue to explore how you can navigate this landscape in a personalized, customer-centric way – even as you work with multiple clients, on multiple channels, in multiple regions.

Choosing the right tools to help you effectively target your audience, drive results, and make it easier to create engaging ad experiences in this ever-evolving landscape will be key to your processes.









### We'd like to thank our partner agencies for this inspiring content.

Interested in reading similar content? Head over to our website to read all about e-commerce and digital marketing best practices, strategies, frameworks, and more.

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