

# Online keeps maturing

 By [Diane Charton](#)

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As we move into 2010, we can look forward to robust growth for the online advertising industry as bandwidth prices keep falling, more consumers join the broadband world, and more companies embrace the benefits of digital.



We can also expect to see not only more use of the online channel by advertisers and marketers, but more sophisticated use of online to drive real business benefit.

Here are my predictions for the year ahead:

## 1. Richer content and media:

More heated competition in the South African telecommunications market - particularly in the international undersea cable space - has helped to drive bandwidth costs down. We can expect to see per-gig costs for data to keep falling, which means that South Africans will be more able to afford the costs of consuming rich media such as podcasts and streaming video.

As a result, media owners are expected to offer more multimedia content on their sites and advertisers will also start integrating more rich media ads into their campaigns.

## 2. Social media:

During 2009, many SA brands hopped onto the social networking bandwagon by setting up presences in channels such as Twitter, YouTube and Facebook. This year, we'll see them leveraging social media in a more strategic manner using online reputation management tools. They'll also start to understand that social media is about humanising their brands, rather than hard-selling.

Clever marketers will develop relationships and engage with customers using social media. Of course, not everyone will understand the importance of social media, nor how to use it correctly, since it requires a massive mind shift. We can expect to see some interesting and innovative campaigns in the social networking space this year.

## 3. Moving beyond the click:

As we've said time and again, one of the key benefits of the online environment is the way that it allows marketers to track and measure the effectiveness of their ads and campaigns.

Although the real impact a campaign has on business and the bottom line can be monitored and analysed using a number of powerful tools that have been around for a while, most marketers are still just looking at clickthroughs and impressions. This could be the year we see marketers start to look at more meaningful measures that allow them to

ascertain the real impact their campaigns are having.

#### **4. The gap widens:**

I believe that the gap between the early adopters and the latecomers to the digital space will widen dramatically during 2010. Those businesses with a fairly mature digital presence have developed online models based around true ROI and will keep reinvesting in online. They will be demanding new solutions and methods from agencies and media as they seek to maximise their returns.

Businesses that have yet to enter this space, or have only started testing the water, will still be awed by the most basic offerings and won't yet be ready to adopt the full range of solutions that digital has to offer.

As an industry, we need to tailor solutions and approaches for clients in both camps.

#### **5. An increase in the amount of network buys:**

We're expecting to see interest in network buys pick up in 2010 for a number of reasons. One of the most important of these lies in the fact that media owners will want to maximise their investments in their online space.

One way to achieve this is by offering unsold inventory through networks. Online ad networks allow advertisers to broaden their reach cost-effectively and efficiently, making them attractive when budgets are still under pressure.

#### **6. Adoption of behavioural targeting:**

SA marketers have lagged behind their international counterparts in their use of behavioural targeting, which uses information collected about a user's web-browsing behaviour (for example, pages visited or searches conducted) to choose advertisements to display to him or her.

The reason for this is that up until now, the SA web environment was thought to be too small to support effective behavioural marketing because its concept works best where there is a big pool of users and websites.

Growing Internet penetration means that the concept is finally becoming viable for SA online marketers. The tools and technologies that enable this type of targeting are quickly becoming available and are being adopted by marketers who understand the need to cleverly reach their target audience in a mass environment.

#### **7. Mobile heats up:**

At the beginning of every new year, industry observers tell the market to expect it to be the year that mobile will "take off". But in 2010, we can really expect to see mobile gather momentum as a channel for marketing and advertising.

One of the key reasons for this is the role that mobile plays in social networking, where Facebook and Twitter are wildly popular on mobile phones. Though there are massive opportunities in mobile for marketers, it is a challenging space that requires a mind shift from media owners and advertisers alike.

## **8. Listening becomes key:**

With the rise of social media channels such as Facebook, Twitter, LinkedIn, forums, blogs and many other channels, it is becoming critical for companies to listen to what consumers, employees, and thought leaders are saying about them.

We expect to see many companies embrace online reputation management tools and strategies to monitor and analyse what people are saying about them online. These tools allow businesses to take control of their online reputations and defend and enhance them.

## **9. I'll Facebook you:**

People are increasingly using social networking spaces like Twitter and Facebook for some of the interactions with friends and colleagues that used to be carried out on email - such as inviting guests to a party or sharing holiday photos. Just as 'Google' became a verb, we're seeing more and more people saying things like "I'll Tweet you the details" or "I'll Facebook you to stay in touch."

## **10. 2010 to spur online activity:**

Finally, given the global nature of the 2010 FIFA World Cup, we can expect to see it spur a great deal of online activity in South Africa. Many clients are using online to market themselves to world cup tourists, and this will continue until the last visitors have left the country at the conclusion of the tournament.

The world cup will also boost use of online news sites and social media channels in South Africa. During 2010, we will also see advertisers and agencies targeting users across multiple channels using non-traditional digital methods such as hypertargeting (customisable and personalised targeting to the audience based on metrics like inferred or declared interests).

We will also begin to see a shift within budget allocations which corrects the disparity between the approximately 78% of LSM 8-10 that is digitally connected and the fact that only 2% of adspend is allocated to online.

## **ABOUT DIANE CHARTON**

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