

# Update on the Big 8

**This year's trends present strategies for what's to come.**

**From media mix diversification to livestream shopping, learn what is vital to reach 2022 goals, how the key industry trends have fared thus far in the year, and what your team should be prioritizing in the year ahead.**

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With back-to-school underway and holiday preparation in full swing, the 2022 trends and predictions made back in January seem like they are in the rear view mirror. As an industry, we tend to predict and move forward, without ever pausing to acknowledge what came to fruition, what simply failed to launch, and what we've learned and should act upon quickly. So, the January Digital Consulting team is doing exactly that. What did we predict in January? Where were we on track? Where do these trends stand today, and what must be acted upon quickly to achieve 2022 goals and set the stage for 2023 success?

2022 has thrown many curveballs already - From the unrest in eastern Europe, continuation of a difficult supply chain, to gas prices and inflation impacting consumer spending - all of these play into how brands operate their businesses and navigate what they said they could achieve this year versus what is possible.

So, from diversifying your media mix, to a gut check on the metaverse, here is your snapshot to the industry and priorities at the mid-year point and a quick guide to the remainder of 2022.

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# Media Mix Diversification

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With Meta's CPM increasing by 61% YoY, TikTok's increasing 185% YoY and Google's programmatic display CPMs increasing by 75% YOY, diversifying your media mix continues to be a crucial strategy advertisers need to implement to offset rising ad costs.

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**As we enter the holiday season and 2023 media planning, setting aside budgets monthly to test into new platforms is a critical step brands must take.**

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This ensures they remain competitive and have a reliable strategy prior to channels with lower costs and new advertising opportunities becoming oversaturated by their competitors. CTV remains a promising opportunity, and affords advertisers with the ability to integrate technology like QR codes into their campaigns. Not only does CTV afford advertisers the opportunity to target a growing audience, it also allows affiliates to integrate technology

into their campaigns to help them move customers through the purchase funnel more quickly and collect valuable first party data. Bringing along creative and marketing counterparts is just as crucial as testing into new lanes. With media diversification top of mind, that means innovating in the type of assets being created by brands. We often see that what slows down our clients from achieving their goals of media



diversification and innovation is buy in and timing from internal departments. It's imperative to bring your teams along for the ride of the ever changing environment going into the holiday season and 2023 planning.

When holiday shopping heats up, brands must be prepared for and comfortable with transactions occurring wherever the customer wants to shop. Distributed commerce, and especially transactions that occur directly on social media channels, must be enabled for holiday success. While Facebook and Instagram remain the platforms where most social commerce transactions take place, with 25% and 16% of US digital buyers making a purchase on the platforms respectively, Pinterest is continuing to invest in their social commerce initiatives. With Pinterest's recent acquisition of AI-powered shopping destination 'The Yes, relevant advertisers should begin to test on this platform so they are able to have a reliable strategy prior to more of their competitors moving to advertise here. For the remainder of the year, advertisers should consider testing their social commerce strategy on a variety of platforms to understand where their customers are and what strategies and initiatives they respond to. As a result, advertisers will have a nimble social commerce strategy that they can activate throughout the year to drive revenue and engagement with customers, and make sure they never miss a sale.

After disappointing results from TikTok's UK livestream shopping pilot, TikTok has decided to halt plans to bring their live ecommerce initiative to the US and European markets<sup>2</sup>.

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**While this was going to be an exciting opportunity for advertisers to leverage due to the influence TikTok has had on commerce, legacy media platforms like Facebook, Instagram and YouTube are still popular destinations for livestream shopping events and users continue to convert on these platforms.**

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Ahead of the holiday season, advertisers should test at least one livestream shopping event to begin

understanding what their customers respond to. Testing elements such as promotions on featured items or free shipping, celebrity or influencer hosts and informational sessions like product try-ons or tutorials will position advertisers to make these activations more impactful later in 2022 and into 2023 when this will become an increasingly popular initiative across retail.



With privacy changes continuing to reveal their impacts on marketing and paid media, focusing efforts on expanding first and zero party data collection and ensuring reliable and scalable data management solutions should be a top priority for advertisers for the remainder of 2022 and beyond. In order to quickly begin data collection, focus your immediate efforts on the items you can action:

- Identify cohorts you want to activate upon
- Ensure the data you have already been collected is in a centralized location that you can quickly leverage
- Utilize the touchpoints you currently built into your site, like email and SMS sign-ups, checkout and back in stock notification prompts

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**In fact, eMarketer found that customer purchase history is among the most valuable first party data sources marketers should leverage<sup>3</sup>.**

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Once you have identified and activated the opportunities that currently exist within your resources, then focus on implementing scalable infrastructure to ensure you are well positioned for company growth and future privacy changes.

# Personalization and Loyalty 5



With the economy in flux and inflation on the rise, customer retention is more important than ever for companies to achieve their business goals. Rewarding customer frequency and engagement through loyalty programs will be a large focus, especially as we enter the holiday season. Some examples that would be beneficial - and easy

on the margins are as follows: early access to new releases, leveraging your email program to offer unique discount codes to targeted customer bases to encourage another purchase by year-end, and maximizing efforts with servicing your most valuable customers, which are usually your top 20%.

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**Combining the power of personalization with a loyalty program is the key to success - focusing on ease of use, personalized offers and immediate rewards versus point accumulation have all proven to be enticing to consumers surveyed by [Clarus Commerce](#).**

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Quick delivery providers were making headlines in 2021 and the beginning of 2022. We've seen evidence this business model has been difficult to navigate from a profitability standpoint as Getir laid off thousands and cut expansion plans this spring and Gopuff recently announced its laying off 10% of its workforce in a second round of major layoffs this year. Ensuring your delivery options are in line with your unique customer expectations and are carefully tuned with your competitors is the formula for margin protecting success. Having reliable and affordable options across curbside pick-up, buy-online-pick-up-in-store and home delivery should be a priority; however, if it is not already in place, ultrafast delivery shouldn't be where companies devote their efforts ahead of the holiday season. Instead, brand leaders should focus efforts on controlling costs and growing the repeat customer base. With customers focused on offsetting the impacts of inflation and rising prices, prioritize investing in refining your personalization and loyalty programs to ensure customers are being rewarded for shopping with you by offering relevant personalized rewards and promotions.

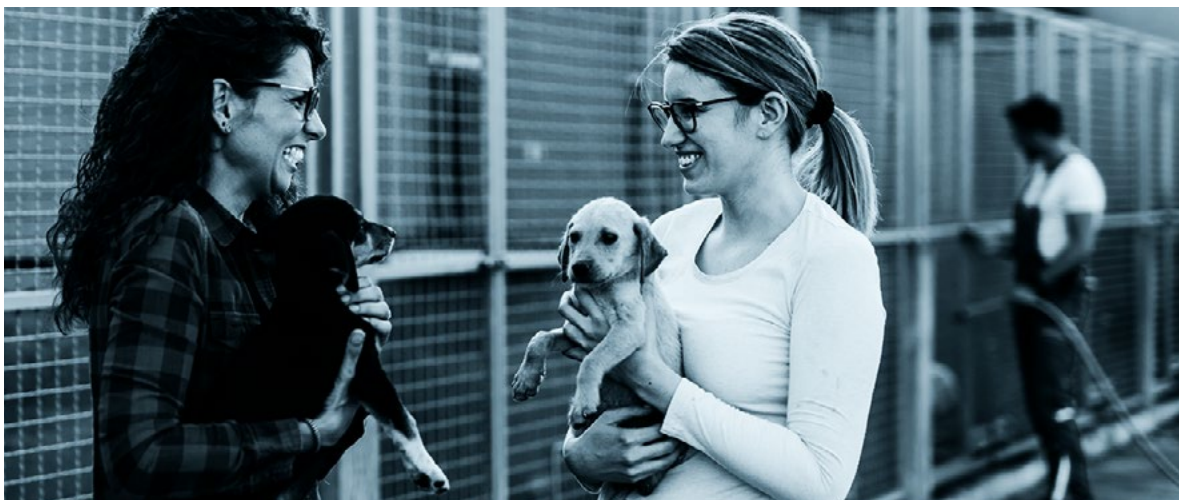


Consumer interest in companies' ethical and sustainability positions continues to increase, especially among Gen Z and Millennials. In a recent Retail Brew/Harris poll, "Nearly three out of four, or 73%, of Gen Zers polled somewhat or strongly agreed with the statement "Companies should take a stand on topical issues," followed by millennials (70%), Gen X (61%) and boomers (42%)<sup>4</sup>." From topical social justice issues to sustainability, brands have the opportunity to learn more about what their customers or prospective customers stand for, and join the conversation through authentic avenues such as product positioning, charitable initiatives and community engagement that match the company's core values. As we guide companies, we utilize a strategic framework of finding the intersection of company purpose, employee focus and customer passion to harness authentic purpose and communicate it to drive powerful results.

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**Find your intersection of company purpose, employee focus, and customer passion.**

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While metaverse activations across retail continue to make news, many US consumers are struggling to see the value and purpose. A survey from Protocol and The Harris Poll found that 60% of US adults either strongly or somewhat agreed with the statement, “I don’t understand the purpose of the metaverse”<sup>5</sup>. Brands like Chipotle and Nike have seen success in these activations when they were able to successfully bridge the gap and deliver customers with real world benefits and experiences. Using the metaverse as an opportunity

to engage customers and promote an omnichannel experience by incorporating virtual and real world elements will help encourage adoption and mitigate apprehension. The single biggest piece of guidance for executive teams navigating their metaverse strategy is to be incredibly clear on the answer, “to what end?” What does it genuinely offer customers? How does it fit within your overall omnichannel strategy? How will you measure success? Why metaverse and why now?

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**It is still abundantly clear that in an industry where every day brings change and a shiny new object to chase, brands clarifying the most impactful opportunities and prioritizing excellent execution is more difficult, yet more vital, than ever. While media diversification is imperative, brands should not try to implement all of the above opportunities while also maintaining and growing their current business and priorities. It is crucial to use your business and marketing objectives to identify which opportunities will have the most impact and ensure that you are not only creating a business case, but also aligning all key stakeholders on what success looks like ahead of time. Leverage your unique customer understanding and stay true to your company's purpose, and by doing so the prioritization and impact of each initiative will be exceedingly clear.**

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## **Sources**

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We lead businesses to grow and adapt through strategic consulting and digital media excellence. January Digital, The Digital Leadership Company™, was founded with the mission to improve the lives of our people, our clients and the world around us. Our team of experienced retailers, CPG leaders, technology builders and media innovators solve the industry's biggest business challenges through a unique combination of consultative strategy, full funnel media execution, and truly impactful data collection and analytics.

We work with leading global brands and digital disruptors such as Shinola, David's Bridal, and Peapod Digital Labs. We have been recognized as best-in-class more than 100 times, and our work has been celebrated by Digiday, Drum, Glossy and MediaPost, among others. January Digital is also proud to be named a Best Workplace by Inc. and Fortune and an Ad Age Best Place to Work for our commitment to employee whole health and community impact. January Digital's rapid growth has been acknowledged as an Inc. Magazine fastest growing company—six years straight.