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BLOG

4 key themes from DMEXCO 2018

OPINION

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DMEXCO 2018 was superhero-sized, a pulsing hotbed of all things ad tech and mar tech. So what should marketers glean from this year's 200 hours of speaker talks? Bianca Best recaps the key themes...

Every tenet of digital marketing spreads its tentacles across DMEXCO's nine halls, with over 1100 exhibitors proclaiming their way is the best/newest/shiniest/cleverest way. This year, forty thousand marketers flocked to Cologne in respect of what's now regarded as one of the key meeting places for stalwarts in digital business, marketing and tech. Launched in 2009, the event has now joined CES and Cannes as part of the annual must-visit.

Predictably, AI, VR, AR and blockchain were hot topics and most seminars, debates and

keynotes explored the potentiality and tangible implementation of some form of adtech and martech. I enjoyed David Weinberger's (Berkman Klein Centre for Internet & Society, Harvard University "I repeat, I do NOT work for Google!") exploration of *The Internet, AI & Keeping Marketing Human* where he tackled our growing fear of robots taking over the world and spoke of the conflict between consumer fear versus trust. You know too much about me versus you can improve my experience.

A good example of where AI alignment is enhancing consumer experience is the Amazon Improve Your Recommendation page. Consumers are invited to teach the algorithm how to hone its responses. And that's the guidance for marketers, to follow suit and work towards alignment of interests. Invite consumer collaboration with the tech cognition. It's 'user first' principles as a top priority.

Amidst the buzzwords, I picked up on four key themes. It seems this year brands intent on thriving in today's digital economy were focused on: accountability and transparency, data control, specialist partnerships, and a programmatic new wave. Let me elaborate…

1. Brands are demanding more accountability, responsibility, and transparency

As advertisers operating in our platform-led world fight to deliver meaningful, contextually relevant, and emotionally charged messages to stimulus-assaulted consumers, many are obsessing over the fact that the need to respect end users is surfacing as an almost holy top priority (as opposed to focusing on the next shiny targeting algorithm). Not just by way of emotional engagement, but a hardcore, zero tolerance of data misuse. Regulatory compliance and uppermost respect for consumer protection have become paramount, not just because of stricter legislation, but for both customer loyalty and brand reputation.

The official 2018 theme of DMEXCO 'Take C.A.R.E' underlined these concerns. Each component – Curiosity, Action, Responsibility and Experience – stimulated key values both brands and agencies simply must embrace to safely toe the line of e-privacy regulations, most pressingly in Europe of course following GDPR.

To maximise their deeply dissected return on investment, advertisers are still after superior measurement and transparency from their media agencies. Enter buzzword 'blockchain'; despite a frothing-at-the-mouth-with-excitement abundance of hype surrounding the potential for blockchain technology to address these issues, many industry leaders believe it's not ready yet.

"Blockchain is an opportunity that is not fully here at the moment, especially in ad tech," said Phil Duffield, managing director of Adobe Advertising Cloud. "It's an area that gives tremendous opportunity for brand safety and fraud issues but we have a long way to go before we have something that is really good for our industry." Ari Paparo, CEO of Beeswax, and Oded Noy, CTO of Zefr, were similarly sceptical.

However, other businesses are making hardcore forays into this space resolute in the thinking that control through technology is here and evidently possible. Data startup MadHive, for example, demonstrated how it is already experimenting with cryptography and blockchain with a real-life use case unveiled on stage. For the masses, I'd say the jury's most definitely out on this one for now.

2. Brands know data is at the heart of digital transformation

Yes, digital transformation is still the phrase on everyone's lips. However, now, a few years into talking about, shifting into and planning for digital transformation, there's more of a tangible focus on leveraging data as core to successful transformation.

Unquestionably, digital has enabled new customer journeys, new touchpoints, new sophistication in measurement and analysis. Now, marketers are looking for transformation strategies to help their brands evolve as exponentially as the marketing landscape itself.

Jason Forbes, Chief Digital & Media Officer at Coty, revealed the three core principles at the heart of his business's transformation strategy. He extols the need for brands to 1) build a culture of consumer obsession, 2) create agile organisations (without those wretched silos), and 3) put data at the core of the business.

Beyond Coty, for every brand pursuing robust digital transformation, data is evidently front and centre stage to being what's key. Brands simply must improve how they collect and use their data effectively. In order to get closer to customers and to become more responsive and reactive to real-time behaviours, brands need to start (or in some cases continue and refine) intelligently aggregating and managing data from multiple sources to optimise performance through their execution.

It's only once getting smarter at using data where utopian cross-channel, multi-stage customer journey personalisation via slick ID management comes into play, naturally whilst retaining compliance with e-privacy rules.

Equally, there's a need to integrate the data that's already in their systems, connecting the CRM with their DMP for example as well as the web, app and social data points. It's all about enhancing that end-user experience by joining the dots, closing the loop, and using what we know about customer behaviour to best effect our messaging and targeting.

The data challenge for businesses today goes well beyond ad tech. It requires both data security and data portability. That's a big and untenable job for marketers to work through alone, therefore raising the organisation's overall digital IQ is paramount to successful digital transformation. Brands need to educate all parts of the workforce on the data strategy to ensure respectful integration and adoption. The whole organisation needs to understand how, where and why data sits at the heart of the business.

3. Brands are aware of the power of partnerships

Over the last few years, a growing number of brands have taken advertising services in-house (performance channels for the main part) in pursuit of managing their eco-systems and budgets more tightly. Along with toughening scrutiny of marketing spend efficacy, one driver behind this trend has been the democratisation of data; everyone can collect it, so third-parties are no longer always essential to the process.

As Steve Chester, ISBA's Director of Media, recognised: "Brands are increasingly seeking

to gain more transparency and control of their digital media supply chain with many reviewing the possibility of in-housing. Events such as [DMEXCO] will increasingly become more relevant and important as they seek to create direct relationships with ad tech suppliers."

And it's these direct relationships with tech partners that are proving most exciting. The smartest marketers recognise the power of partnerships as essential to winning in the ever-evolving digital landscape… "[We] can't do it all by ourselves," said Debora Kayoma, CMO of Mondelez's European arm.

The partnerships brands are increasingly forming today are often with startups – companies at the forefront of innovation, and businesses seizing emerging technology and working in agile and adaptive ways. VR and AI were predictably three of the burgeoning technologies attracting interest at DMEXCO 2018 as marketers seek to find new ways of connecting with consumers.

"Don't bet against the VR and AR revolution that is going to happen," said Google's Senior Vice President and Chief Business Officer, Philipp Schindler. "With AR, computing will be done in a very different way – that's a more long-term evolution – but it's something we need to get mentally ready for, and what this means for advertisers."

At MediaCom, we're already making moves to help our clients harness the power of new technology, by partnering with startups and evolving the way brands reach, engage, and convert consumers. We're effectively handholding brands into the innovation space, guiding them to experiment, and dabble in the newest tech to either fail fast or open up exciting new market expansion opportunities. Ultimately, partnering this way means brands don't fall behind the competitive set and push their businesses deeper into tech confidence.

MediaCom's emerging technology division, BLINK, recently architected Launchpad for Mars, a global programme designed to trial innovative marketing concepts through specialist partnerships. Harnessing technology to solve brand challenges or ambitions stimulates and enables industry-first campaigns which open up glossy new engagement opportunities. One such successful business outcome from this programme is the

PERFECT FIT Plus Programme, a first-of-its-kind chatbot which offers pet owners personalised tips and insights about their animals.

Essentially, intelligent collaboration stimulates growth. It's simple. Brands can't do it by themselves.

4. Brands are investing more in programmatic… but they expect better measurement control and results

Programmatic continues its ascendency. Virtually everything will be bought programmatically in the future, including TV. IAB Europe research released on the eve of DMEXCO showed that the programmatic market grew by 27% in 2017 to EUR 12.1 billion. This included particularly strong growth (+53%) in mobile programmatic (where it's now 80% of total mobile).

With budgets increasing comes the almost urgent need to reduce wastage, eliminate unseen fees and margins and push for total transparency. Brands are looking to minimise risk by using more private marketplaces, direct to publisher deals and premium inventory. Forecasters predict a rise in Programmatic Guaranteed where the right context will be locked in at predictable pricing across all environments (rich media, web, video, mobile, in-app).

Even once brands do strategically minimise their risks, IAB research shows that organisations are still frustrated by lack of reliable brand metrics across channels and platforms. This has been a surfacing theme for several years now at DMEXCO. As Bob Stutz, CEO of Salesforce Marketing Cloud put it, "[advertisers] struggle to get a holistic view of their marketing efforts. Other marketers have given up consolidating campaign information from various applications altogether." For ultimate marketing success, however, it's only once holistic cross-channel measurement and analysis is undertaken that refined strategies can be deployed.

There was a definite, rapidly beating pulse of 'business getting done' at DMEXCO 2018.

The pace of collaborations, innovation and start-up excitement felt, well, pacier than years gone by; hands were definitely being shaken as deals were done. It was a good energy and one I feel reflective of our industry today. Until next year…

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