



BLU DIGITAL RECRUITMENT

DIGITAL TRENDS AND PREDICTIONS FOR 2023

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Introduction

Whilst we've seen most digital trends emerge and make a difference in 2022, we expect them to continuously evolve and transform the industry in 2023 and beyond; also witnessing new trends provide a unique experience.

With more businesses adopting AI technologies in 2022, the likeliness of an automated future seems to be apparent. We will be looking at the digital activity in 2022 whilst looking at the emerging and intriguing trends set to make noise in 2023. We also gain perspective from some of the leading professionals within digital.





What did we find in 2022?

We saw a year of accelerated digital innovation, with more businesses investing in technology to boost their marketing efforts.

Social commerce spending was on the rise, with almost half of UK brands investing in social commerce. The Metaverse became a very intriguing digital trend throughout 2022, recreating experiences for consumers. Experts predict it will have a very positive effect on the healthcare industry in the long term.

With automation being at the forefront of many industries' strategies, we saw more businesses use automation initiatives to boost employee efficiency throughout the year. At the same time, a high number of large companies adopted at least one AI Technology - could AI in workplaces be the norm for every company in the future?

The importance of sustainability was highlighted in 2022; not just in societal terms but was also expressed in marketing campaigns. In fact, 35% of UK companies spent more time working on sustainable marketing campaigns.



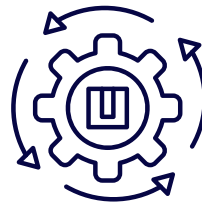
More than 80% of healthcare leaders see the metaverse having a positive impact on the future (Accenture)



49% of brands invested in social commerce in 2022 (Fashion Discounts)



28% of marketers have a post-cookie strategy (Mapp Cloud)



70% of businesses believe that an automation solution is necessary to build more effective teams (imagination insider)



By 2025, 65% of the world's population is expected to have access to 5G. (Ericsson, Telekom)



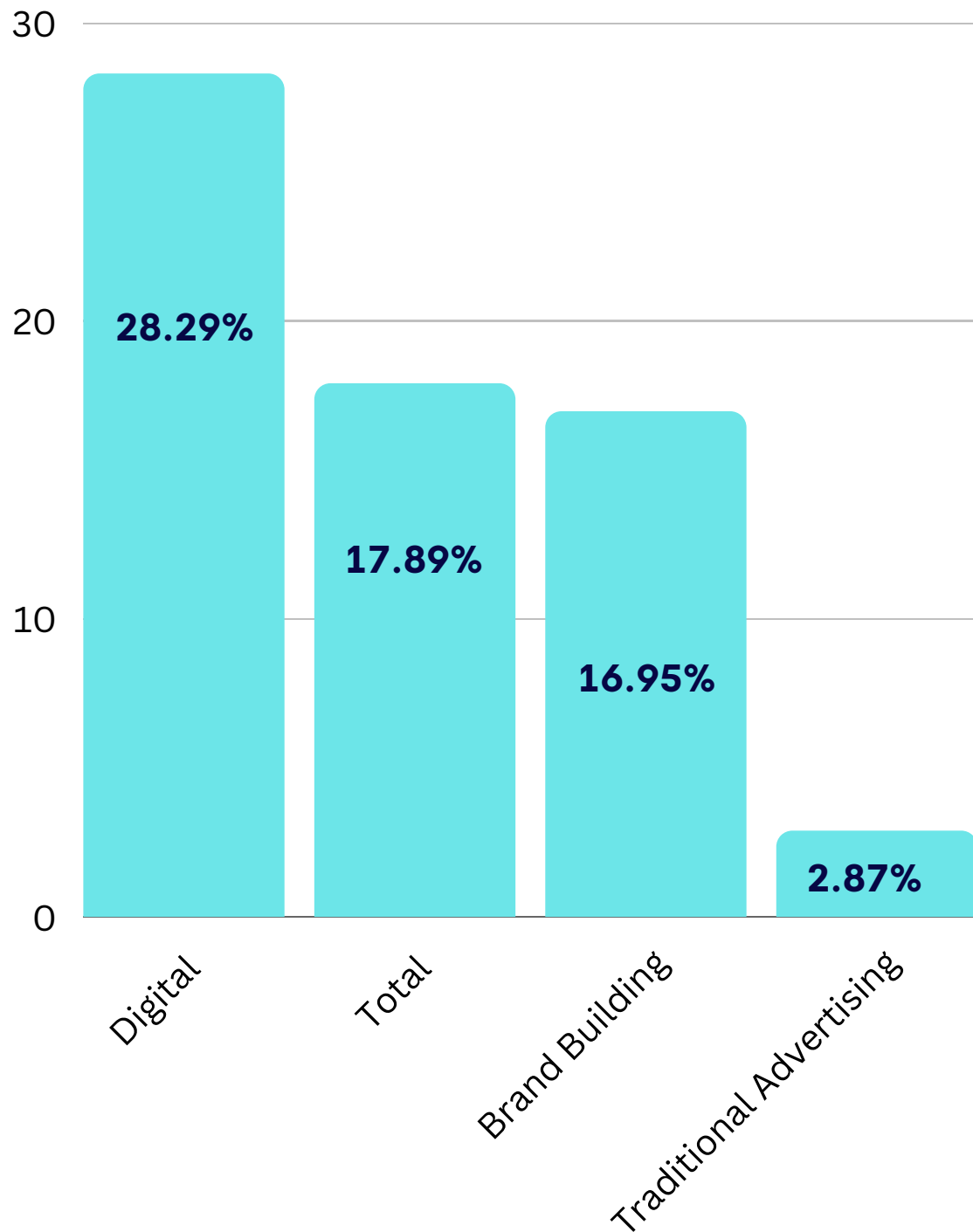
Shopping and retail apps have a retention rate of 8.7% after one month. (Statista)



64% of small businesses are using email marketing within their digital marketing strategy. (Talented Ladies Club)

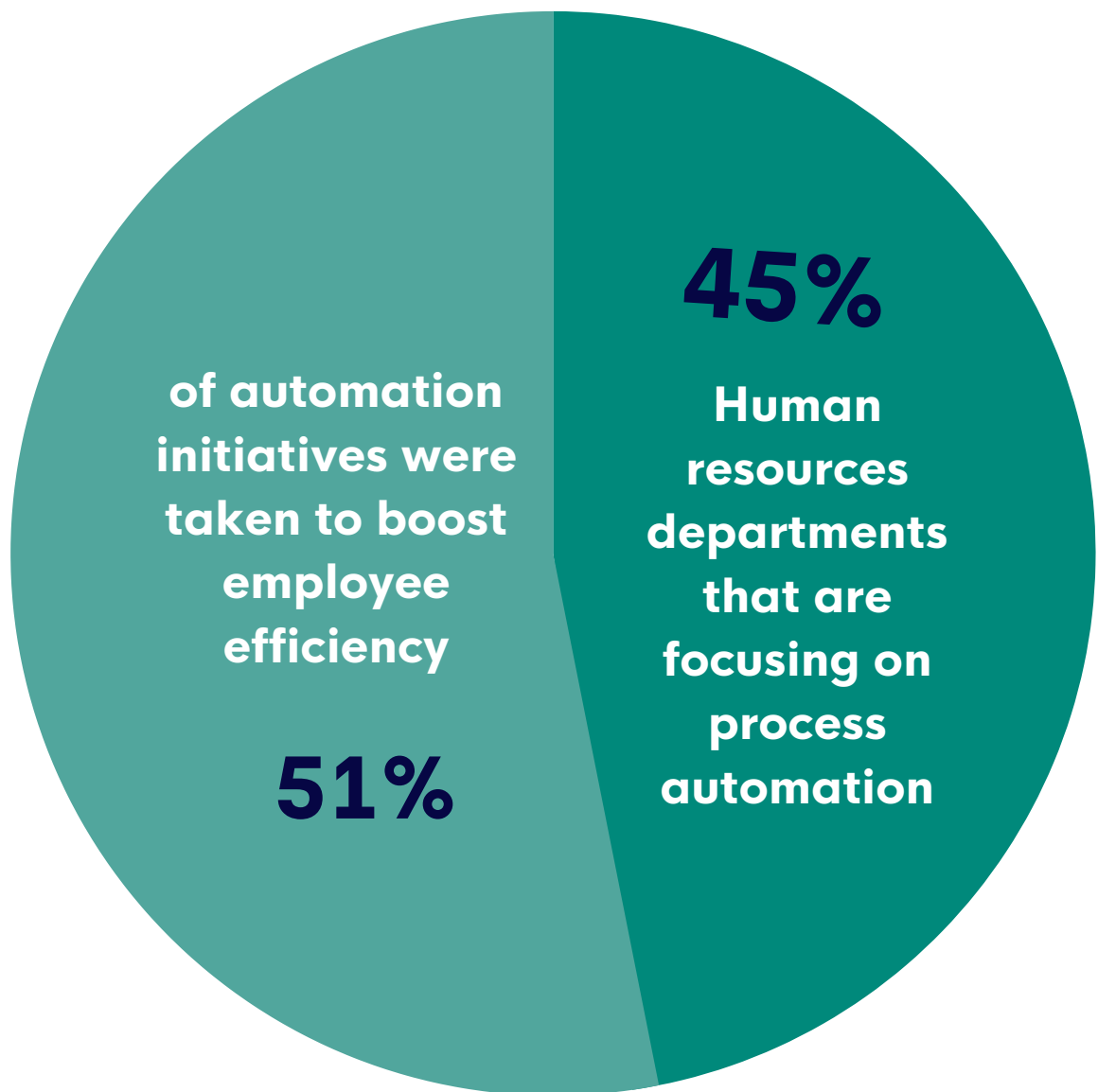
93% of brands have received new customers after posting videos on their social media accounts. (Heavyweight Digital)

Marketing expenditure growth in the UK 2022, by type



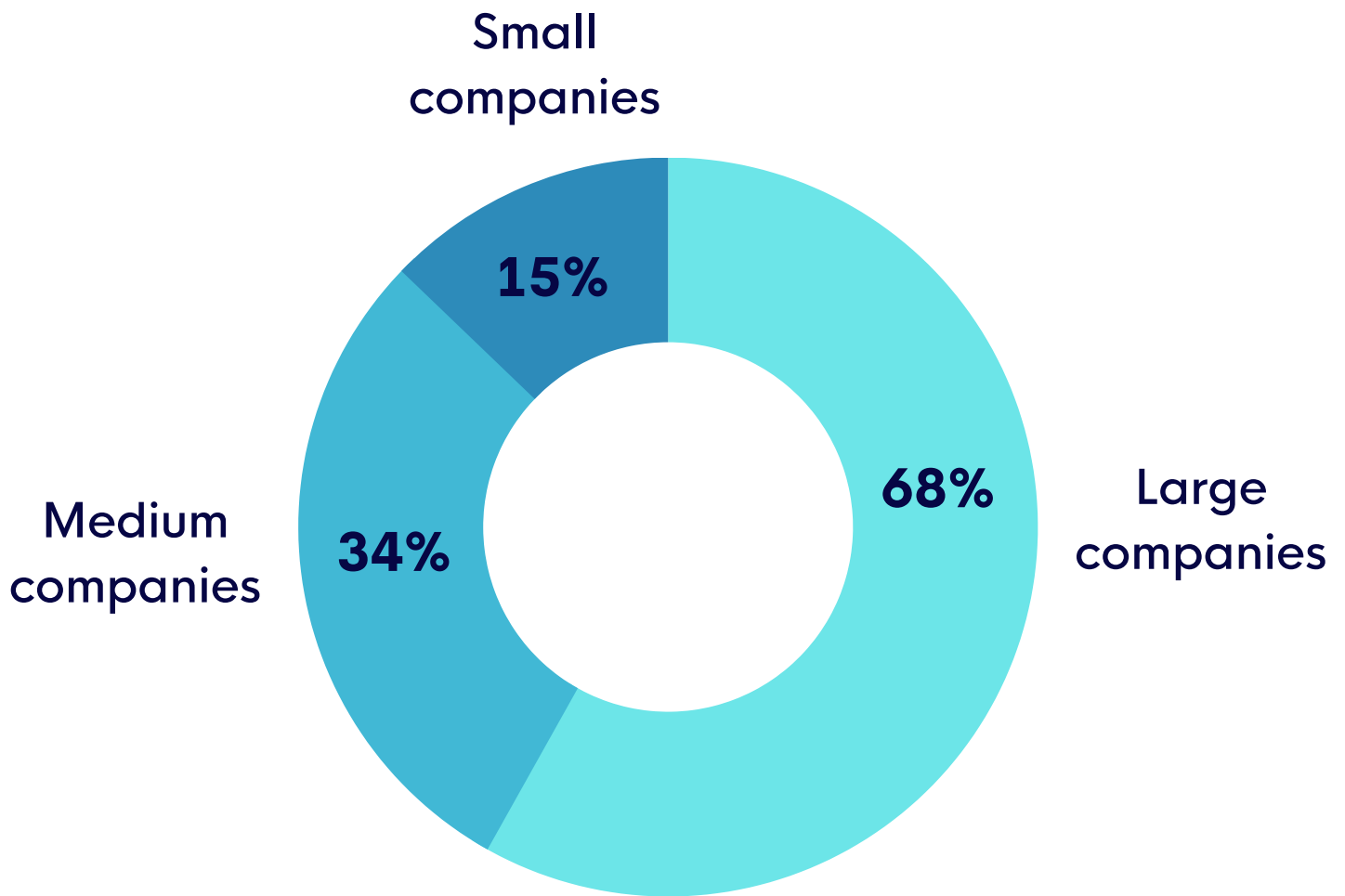
Source: Statista

Automation Activity in Businesses (2022)



Sources: Statista & Camuda

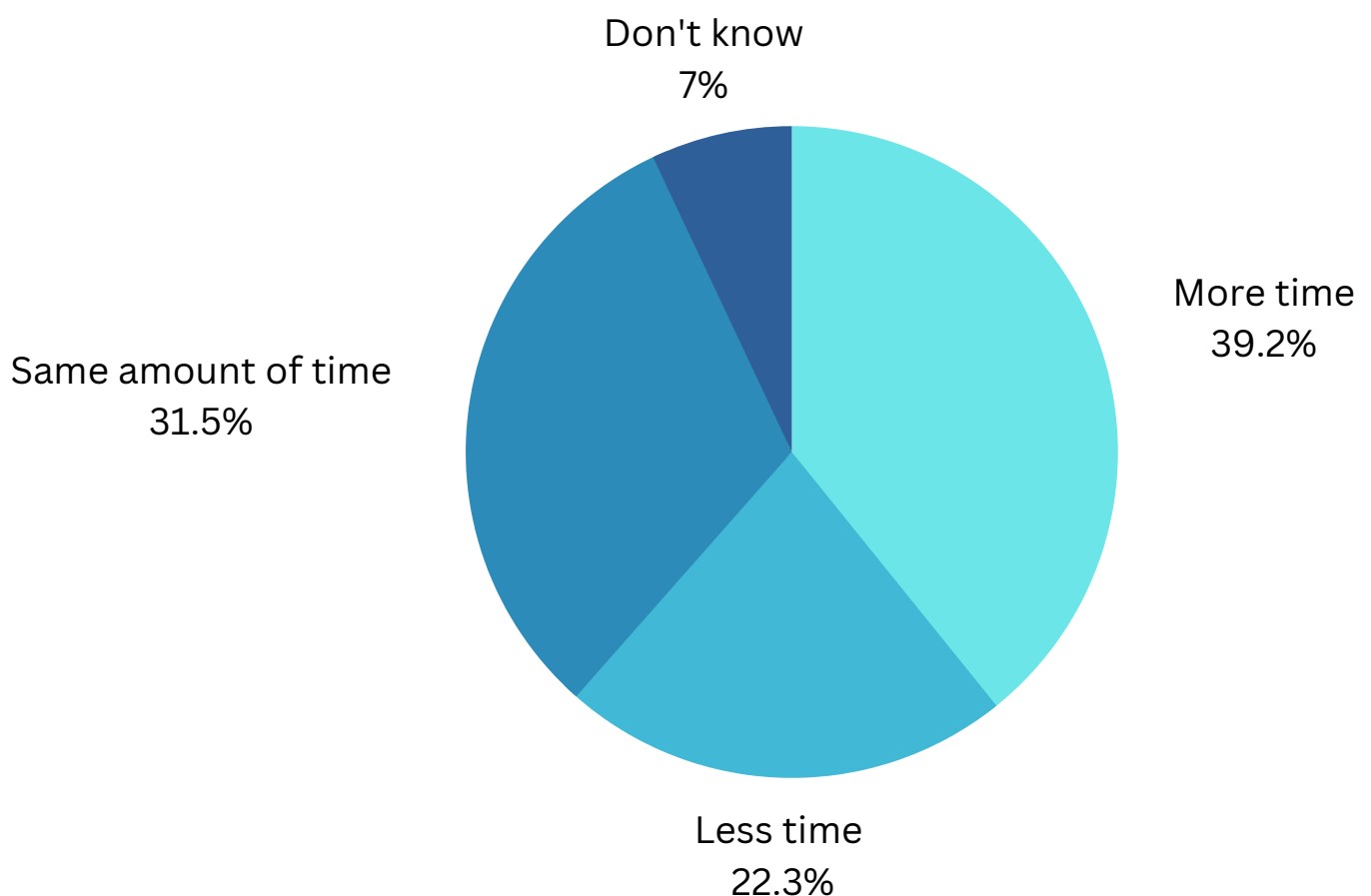
UK businesses that adopted at least one AI technology in 2022 (%)



The latter make up the majority of the UK business landscape and hence drive the UK average result of a 15% adoption rate.

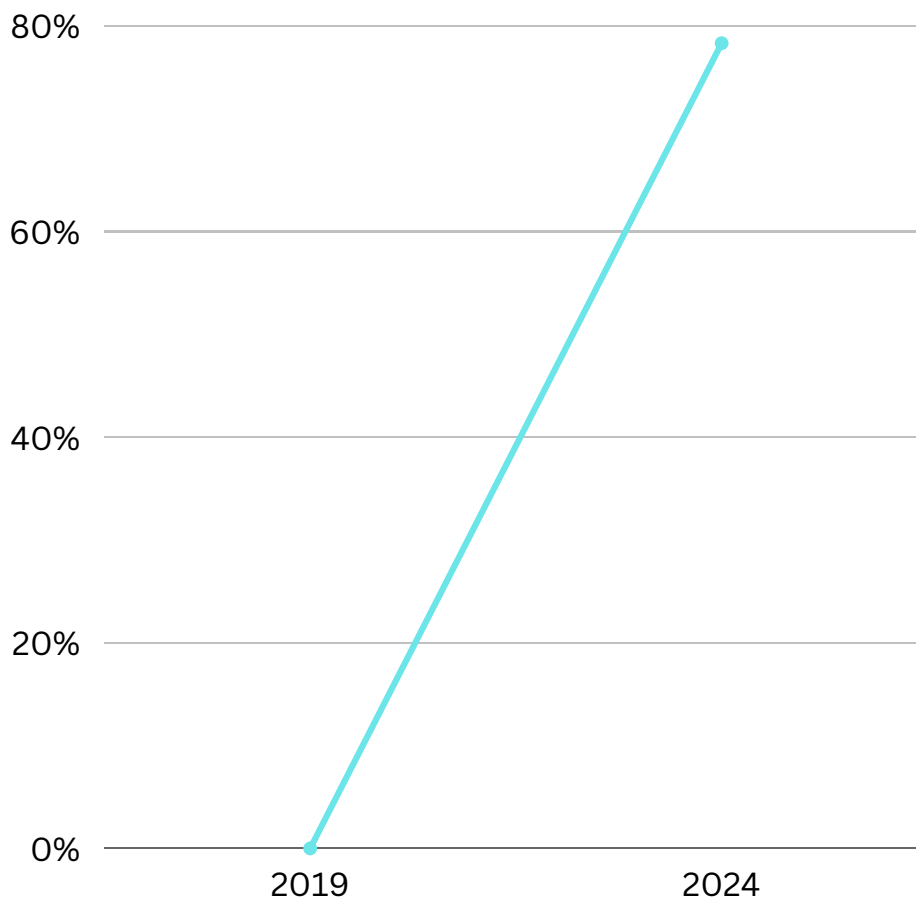
Source: gov.uk

Share of companies that spent more or less time on sustainable marketing campaigns compared to normal ones in Europe (July 2022)



Source: Statista

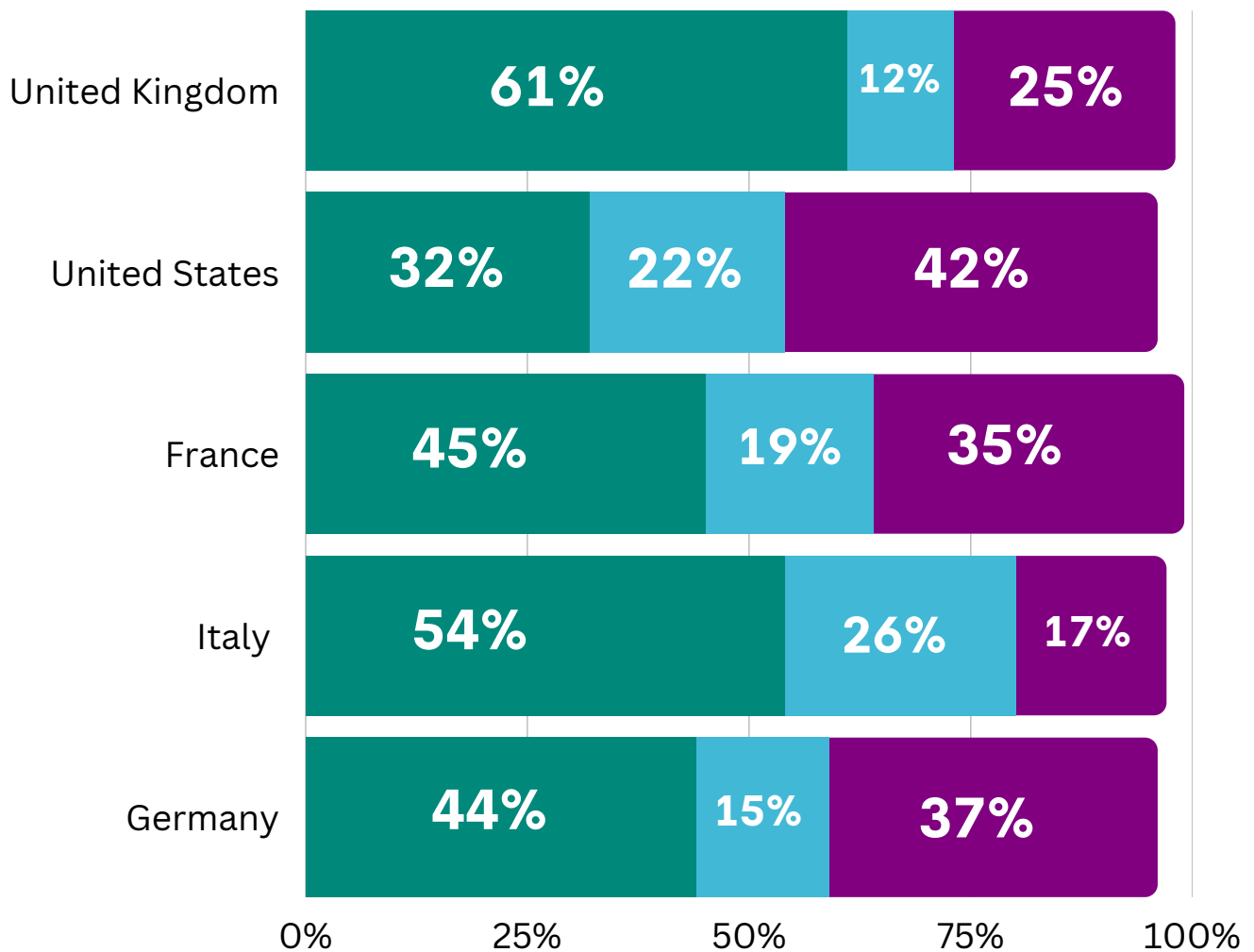
The UK augmented reality (AR) and virtual reality (VR) sector is a pioneer in the digital revolution, with the fastest growing market in Europe



The UK is internationally recognised for creative excellence and world-class innovation. From 2019 to 2024, it is expected there will be a 78.3% growth rate for spending on AR and VR in the UK. Growth is predicted to reach £62.5 billion by 2030, and the UK offers significant opportunities for investors.

Source: [great.gov.uk](https://www.great.gov.uk)

The level of consent to the usage of cookies in selected countries worldwide



June 2021 - 2022 (Statista)

- Strongly agree/tend to agree
- Neither agree or disagree
- Strongly disagree/tend to disagree



What should we lookout for in 2023?

As well as new digital innovations, the pandemic affected the way of working for many over the last two years. And with more businesses continuing to invest in technology to boost their marketing efforts, this will no doubt pave the way for more digital integration in 2023 and beyond.

Consumer behaviour is changing and social commerce will continue to rise in 2023. AI and chatbots will look to play a key role in a large number of businesses automation initiatives.

Judging by the fast-moving nature of the industry, digital leaders across the UK will be eager to get on top of these and many more digital trends that will no doubt make a difference to their marketing strategies in 2023.

More Ecommerce Growth

B2B Executives predict total digital revenue will range from 20% to 31% in 2023

Fast-Changing Customer Behaviour

The use of social commerce is expected to double by 2025.

Higher Customer Expectation

74% of B2B customers want product availability to be shown online.



Digital Marketing Trends

Chatbots

Thanks to the advancement of AI automation over the last few years, AI is set to be integrated into marketing efforts more in 2023.

Chatbots will be one of the main features boosting marketing activity when it comes to solidifying the customer experience. They have aided businesses in dealing with repetitive marketing tasks, allowing them to focus on strategy. As chatbots can understand human language and pick up human traits, voice interactions will continue to make a huge difference to customers and help them feel more connected with businesses.

The market is expected to grow by around 25% by 2024; and with the various benefits such as retaining customers due to the use of personalisation, chatbots will continue to remain a key part of business marketing strategy in 2023.

AI & Machine Learning

A trend that will continue to make noise in the world of digital marketing is the use of machine learning. Technology is no doubt becoming more useful in the marketing industry, helping to provide personalised marketing messages and improve the overall effectiveness of digital marketing campaigns.

Although there is a worry about automation potentially taking over human jobs in the future, the emergence of AI could be a somewhat saviour of a trend. It will play a key role by bringing together the best capabilities of both humans and technology, giving organisations the ability to improve the efficiency and performance of their workforce going forward.

Push Notifications to increase

One of the key reasons why push notifications are a popular digital marketing trend and an effective strategy component is due to the increasing number of consumers who are using their smartphones as their preferred device to browse, purchase from and interact with brands. Although social media channels have seen high levels of interaction, brands want to personalise their interactions with consumers and that means using push notifications to engage with them directly.

Indeed, push notifications will remain a popular and effective marketing strategy, but brands also must be careful as they do not want a high unsubscribe rate. Some people may not like getting a lot of notifications, but can be prevented from unsubscribing if the message is interesting and beneficial.

The push notifications opening rate is 50% higher than email marketing opening rates (Business of Apps) and due to their success of them, it won't be surprising to see this trend carry on in 2023.



A Cookieless future?

In the past, many websites would make effective use of cookies. These are somewhat individual identifiers of a visitor's preferences, however, due to these making web users uncomfortable, website visitors' privacy has been called into question in recent years. As a result, the majority of websites give visitors the option of consenting to their use of cookies. With this growing trend, could we be seeing a cookieless future?

One of the reasons this could become an increasing possibility is in part to Google's eventual removal of third-party cookies in its Chrome browser.

Many marketers use these cookies to learn more about an individual's preferences so they can be targeted with the right adverts, but as previously mentioned, consumers are starting to become wary about their privacy. In fact, advertisers are starting to over-target individuals with floods of ads that may not be necessary or of much use.

By advertisers choosing to buy ads from real publishers with real human audiences, they are likely to get better outcomes than hyper-targeted ads shown on millions of long-tail sites to bots, pretending to be various audiences.

This will also reduce the need for privacy-invasive data collection and the extra costs of targeting parameters, audience segments, fraud detection, brand safety detection, etc.

Sustainability

Sustainability is emerging as a trend that UK leaders cannot ignore in 2023. With an increasing amount of consumers opting for brands with sustainable packaging, marketing leaders will have to include sustainability into their marketing strategy and message in the years that lay ahead. Sustainability is growing as a trend and societal factor that UK leaders cannot ignore in 2023.

AR Experiences

AR is enabling consumers to have unique experiences, visualising products from the comfort of their own homes, or exploring items that may not be physically available for them to view.

As new technology becomes available in 2023, customers will want brands to deliver experiences that use it. Augmented Reality is expected to become even more popular over the coming years. As a result, this means it's important that marketers keep pace with new advances in order to meet customer expectations, whilst delivering the best possible experiences.



70%



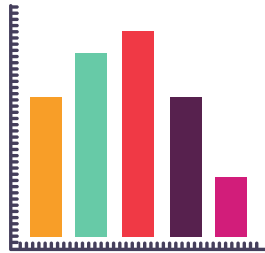
of users see push notifications as useful. (E Goi)

69%



of infrastructure and operations, teams will use AI-augmented automation by 2023 (Gartner)

72%

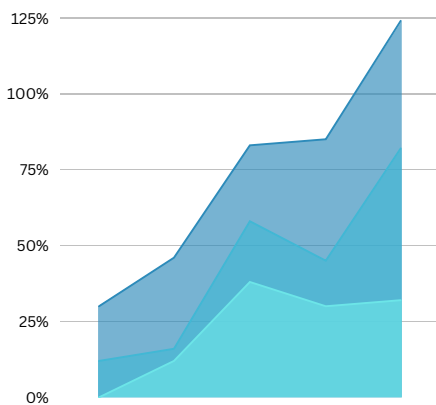


of UK financial firms are using or developing Machine Learning applications. (Bank of England)

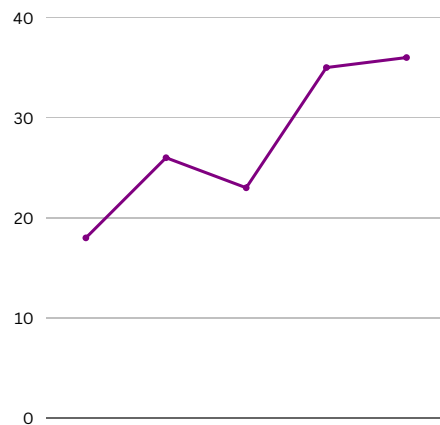


45%

of online shoppers are more likely to shop on a site that offers personalised recommendations (Invesp)



Personalised product recommendations increase average order value by 10% (Salesforce)



The UK economy could grow 10.3% by 2030 solely as a result of the AI sector. (Cybercrew)

90%

of healthcare & banking queries were handled by Chatbots (startup bonsai)



Ecommerce Trends

Voice Shopping Will Continue To Grow

48% of UK households currently have smart speakers, according to ReadyCloud. Statistics show that 41% of adults use voice search at least once per day. With this increase in voice searching, consumers are likely to continue to use voice to conduct their shopping activities in 2023.

Amazon Echo is currently leading the way in the voice commerce space, with 8% of UK households owning the Amazon speaker, compared to just 2% who have a Google Home. (OC&C Strategy Consultants). In 2023, we expect this trend will continue to rise.

Mobile commerce is not slowing down

60.1% of consumers currently use their smartphones for online shopping. The mobile payment market is projected to surpass \$4.57 billion by 2023. (Fashion Discounts)

Mobile commerce has grown rapidly in recent times, and we continue to see even more growth in 2023. There is undoubtedly a convenience from shopping from a mobile phone and tablet; and with social commerce entering the scene, this has presented more opportunities to shop from various social media platforms. Mobile apps are being developed to allow consumers to shop directly from the app, making this a popular avenue for shoppers now and in the future.

With the rise of mobile use, retailers are ensuring they adopt a mobile-first approach to make sure they're providing a great mobile experience for users. Along with usability, brands will continue to invest in mobile wallets and payment methods as well as SMS Marketing and Push Notifications to reach their customers.

Increased AI in Ecommerce

Shopping experiences are becoming increasingly personalised, and with the continuous influence of AI, we expect to see more of this trend in 2023.

Just as voice search influences the habits of consumers, AI plays a big role in gathering the required data to provide personalised recommendations to consumers based on their shopping habits. The use of chatbots is aiding the customer service experience; reducing the need for human contact for the majority of the customer journey.

AI is not only being used for personalisation, but from a business perspective, it will be one of the main innovations providing solutions to business processes and workflows, customer service, and fraud prevention in 2023.

Omnichannel Selling

Omnichannel selling is and will remain a big part of mobile Ecommerce in 2023. Businesses continue to find ways to interact with their customers; whether that be in-store, online channels, or via phone.

Retailers that run loyalty programs are able to retain customers due to how seamless the process is to access reward accounts and pickup potential loyalty points. Companies such as McDonald's and Disney have shown how to effectively monitor customer experiences, with rewards at the end.

In 2023, an omnichannel Ecommerce solution is vital. Businesses will continue to use tools that track and collate customer activity across multiple channels to understand the unified experience that today's shoppers expect as standard.

Social Media To Continue Influencing Ecommerce Activity

Not only has social media become another way for consumers to purchase items, but it has also become a popular way for brands to identify and interact with their target audience. Thanks to the social commerce boom, more brands are able to advertise products through Instagram and TikTok, and consumers can purchase with one click.

A trends report by Checkout.com revealed that almost two-fifths of younger shoppers buy whilst they scroll, with 39% of shoppers aged between 18 and 35 more likely to buy from a brand through its social media channels. Instagram Checkout can be used by sellers to sell directly through the app.

40% of shoppers (or 63% of those aged 16-24) would actively improve their purchasing in-store if QR codes became mainstream. (Sherwen Studios).

Clickable stories, posts, and reels are available across all major social media channels, and it will become very difficult for retailers to not continue to take advantage of this in 2023.





25,423 Pageviews

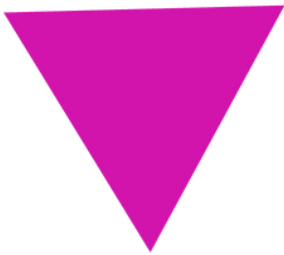
3.32 Pages/Visit

Traffic Sources Overview



- Direct Traffic
3,097.00 (40.49%)
- Search Engines
2,910.00 (38.04%)
- Referring Sites
1,642.00 (21.47%)

Visitors Overview



SEO Trends

Voice Search Optimisation

With voice assistants such as Siri and Alexa on the rise, businesses will be taking steps to ensure their websites are well structured and optimised for voice search in 2023. These include natural language phrases and long-tail keywords.

User Experience

Google, among other search engines, places a high emphasis on the user experience, hence its immense popularity in the last decade. In 2023, websites that provide a positive experience for visitors are more likely to rank well in search results. One of the major factors that contribute to a positive user experience includes fast loading times and high-quality content.

Local SEO

Optimising websites for specific geographical locations will continue to be important in the future, as more people are using their phones to search for businesses and services within their area. Whether that be restaurants, gyms, or transport services.

Mobile Optimisation

With more and more people using their smartphones for internet activity, it's essential that websites are optimised for mobile devices going into 2023. This includes having a responsive design, fast loading times, and easy-to-use navigation.

Video Content

Video content is becoming increasingly popular, and it is likely that search engines will continue to place a higher value on websites with video content in the years that lay ahead.

SEO Experts Insights

Measuring ROI has always been important, but it's no longer a nice-to-have. Measuring ROI is essential. This is why performance monitoring tools like SEOmonitor are critical to your agency. The amount of in-house teams has also increased dramatically over the past few months. This is a great thing for the SEO industry and a testament to SEO's importance in digital marketing – but it fundamentally changes how agencies need to operate. We're no longer just additional resources doing basic SEO activity. We need to act in a similar way to a business consultancy and provide strategic-level support.

Steve Walker
Technology Director at Journey Further



Google's search volumes aren't just stagnating – in many cases, they're reducing. Despite this, consumers are conducting more research prior to purchases than ever – on Amazon and other 'super-retailers', on TikTok, large publishers with loyal audiences, Pinterest, YouTube, and Reddit. We recently looked at one market where, we estimated, less than 10% of search activity was actually happening on Google.

James Finlayson
Head of SEO at the7stars





PPC Trends

PPC Automation

PPC automation has emerged as a powerful way to improve campaign performance. Companies like Google have invested huge amounts into boosting their automation options. In 2023, this will continue to enable companies to pass on much of the work to machines, allowing them to focus their efforts elsewhere.

Amazon's Emergence Into Paid Advertising

Although Google and Facebook still dominate paid advertising, Amazon is likely to join them in 2023; now becoming the third-largest and fastest-growing advertiser. Comparing Amazon's buyer intent to Google and Facebook, could mean lower conversion rates on these platforms.

A Rise in Visual Searching

Visual search is rising! More consumers are using a picture as the search query as opposed to text. This helps consumers find what they are looking for faster. Search engines such as Bing have adopted visual search engines.

Audience Targeting

One of the latest features of Google Ads is the ability to add target audiences. Taking advantage of this feature allows you to get the most out of your ad budget. The latest Google Ads updates give advertisers the ability to layer audiences on top of each other. We expect to see more of this in 2023.



Social Media Trends

Livestream Shopping

As shopping avenues continue to open up across social media platforms, and brands look to be digitally innovative, Livestream shopping will be a key trend in 2023. Some of the other live shopping trends to make noise in 2023 include AR and VR shopping, Product Launches, and one-to-one shopping experiences.

Influencer Marketing

Influencer presence on social media has been and will continue to be a key factor in customer buying decisions. 60% of UK millennial consumers have bought something recommended by an influencer they follow. 38% of brands allocate 10%–20% of their marketing budgets to influencers. We expect this figure to grow.

3D Worlds

One of the effective ways tech is integrating with social media is by offering unique experiences. With emerging innovations such as the metaverse, users are able to enter virtual 3D worlds and interact with each other.

Social Commerce

Social media looks set to continue being an alternative shopping hub for customers. With interactive Instagram and TikTok posts, customers are able to now purchase their favourite items within the respective apps – these are shoppable posts. Consumers can see advertised products details on the timeline and will make this a convenient shopping option in 2023 and beyond.

TikTok Trends to Watch

Expanding Search Capabilities

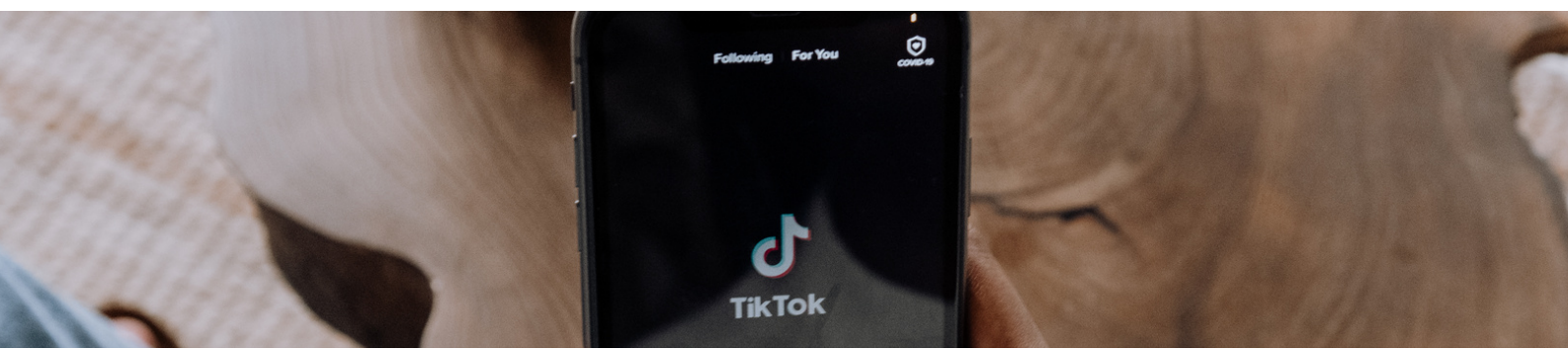
More and more people are treating TikTok as a search engine, and it's also become a place where people see the latest trending news. This shift in product discovery is huge for brands, especially those prioritizing traditional SEO over social media marketing.

Spending on TikTok will increase

In recent years, the popular social media platform has seen major growth—first in users, then in ad spending as brands looked to reach their audience. More businesses could very well head to the platform in 2023.

2022 was the year people realized they didn't have to live their lives as they always have done - with different points of view and ideas transcending cultures on TikTok. Next year we're going to see more of this - as our communities get more confident and inspire positive change together. Against the backdrop of the increasing cost of living and its associated challenges, our What's Next report indicates people will be seeking new ways to achieve success, happiness and wellbeing - and TikTok will be a tool to help them find it.

Sofia Hernandez
Global Head of Business Marketing for TikTok





Technology Trends

Metaverse is the future

We have seen a glimpse of what the metaverse will offer in 2023 and beyond. In a world where AR and VR tech boundaries are pushed to the very limit, the metaverse offers solutions that see users “living” in the digital world. Just like AI, the metaverse has provided solutions to sectors such as fashion and automotive; and will reshape them in 2023.

Companies will be thinking more about the metaverse in the next year or two; and how they can introduce more immersive technologies and bring the digital world to life. Global brands have made a head-start with this as Nike opened up their metaverse store; seeing 7 million visitors. Gucci also partnered with Roblox during the height of the pandemic to create a virtual Gucci garden, a virtual version of the actual Gucci garden in Florence.

As well as the customer experience, there are questions about the impact the metaverse could have on employees. Could meetings be conducted in the metaverse rather than over Zoom?



A programmable world

As the world becomes more digitized and virtual, our ability to control it becomes greater. With self-driving cars becoming more and more of a possibility, the ability to repair cars by plugging them into a computer, diagnosing their faults whilst analysing every aspect of their performance. Not just with cars, but even our household appliances including scales and kettles are being programmed. In the healthcare sector, medicines and vaccines can be programmed to target specific diseases.

One of the big ways in which a programmable world is changing the outlook is how it drives efficiency and engagement, whilst reducing cost and effort. Digital technology is really going to change the whole world, not just the way that technology is used in companies.

Blockchain Technology

2023 will see an increase in various blockchain technologies, building trust in the process.

These include trends such as NFT's that will allow us to record digital ownership of things. Blockchain and WEB 3 technologies will allow more of us to manage our digital identities; changing many industries as a result. We have seen companies such as Airbnb and Uber do this particularly well; allowing customers to pay for things like parking and toll fees. Top-tier cryptocurrencies soared to their all-time high values pushed by active participation from investors across the world.

Blockchain offers improved security, transparency, the immutability of data, and accessibility in comparison to conventional networks. It will remain one of the biggest digital technologies in 2023.



Digital Transformation Tools For 2023

Team Collaboration & Communication Tools

As hybrid working has become the norm, team collaboration and communication tools are essential to ensure effective communication between team members who are working apart. Simple communication tools, such as Slack or Discord, are good for companies of all sizes.

Cloud CRM's

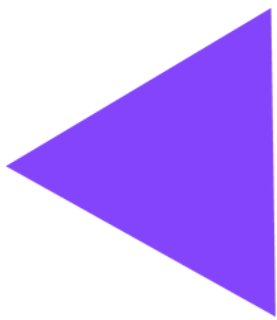
Adopting a cloud CRM solution is an inevitable part of the digital transformation process. Customer relationship management platforms (CRMs) help businesses to generate and store leads; as well as align marketing and sales teams. HubSpot comes highly recommended.

Project Management Software

Project management software tools are vital for enabling your teams to assign and complete tasks, structure projects, track efficiency, and provide reports to managers. Asana and Trello are among the popular choices for businesses.

Cloud Storage Tools

If they haven't already, cloud storage tools should be among the top priorities for digital leaders. Using cloud storage tools is the only way for you to prevent data loss and access the necessary assets whenever you or your team members need them. Popular storage tools include Google Drive and Dropbox.



Expert Predictions For 2023

This year, we saw advertisers like Domino's and Diageo critically assess their media placement choices and act to broaden the moments they showed up in to better connect with their entire audience. They did this by lifting keyword and topic exclusions that contained potential bias and by proactively investing in hand-picked authoritative voices and publishers.

In 2023, brands should carry out an audit of their media plan. Assess whether the mix of channels and publishers reaches the breadth of intended audience and review for potential biases in keyword and topic exclusions. Additionally, consider what affirmative action can be taken to authentically support underrepresented voices and communities.

Nishma Patel Robb
Senior Director, Brand & Reputation
Marketing, Google



2023 is set to be another year of massive change. The tsunami of digital transformation that has gripped businesses will continue across the board but we will also see more and more organisations focus on data-driven strategies. In reality, this will mean that decisions will be based on what they know to be actually true rather than acting on a feeling or hunch.

Amul Batra
Chief Operating Officer, Northcoders



In times of tough economic headwinds, the pressure to make cuts and deliver efficiency savings and productivity improvements is irresistible. However, the evidence of the economic downturns of 2008-2009 and 2020 from McKinsey and Bain suggests that only seeking efficiency savings during tough economic conditions comes at a risk: roughly one in 10 companies manage to outgrow its peers both during downturns and in the subsequent recovery.

The big challenge for 2023 will be to avoid leaning too far in the direction of cost savings and efficiencies and so risk losing the advantage on that next economic upswing. As will the calculation of how much of the digital transformation projects can be cut without creating a bigger risk. The Great Recession brought us Uber, WhatsApp, AirBNB, Instagram, and the great resurgence of Amazon. Take your eye off of the ball, and you may be disrupted.

Ed Thompson
SVP, Global Influencer Strategy, Salesforce



"Shopping through social media is increasingly effortless, with purchasing decisions encouraged by personalised deals and the influence of online brands and content creators. For retailers, social media platforms will remain important virtual shop windows, acting as additional streams of revenue and drivers of traffic. It is likely that the social media commerce market will grow as consumers continue to exist in an online world, where products can be sourced, bought and sold at the touch of a button."

Celine Fenech,
Consumer Insights Lead, Deloitte



"In 2023, we'll see technology like AR continue to transform shopping, to make it even more immersive. 250m people already engage with AR on Snapchat every day. Through AR, you can try on items no matter where you are, or even place them in your environment to see what they look like.

Our recent study with Ipsos found more than two-thirds of people say AR makes it easier to experience the work of their favourite designers – and 80% also believe it has the potential to help the environment by reducing returns. With this technology, the opportunity for retailers to build loyalty, attract customers and drive purchases is huge – and we're excited to see more brands realise its possibilities in the new year."

Fintan Gillespie
Senior Manager, Head of UK Enterprise
Business Solutions at Snap Inc.



"I expect 2023 to be challenging for businesses and marketers alike. From economic instability, rising interest rates, and a likely recession to the deprecation of third-party cookies affecting the likes of Universal Analytics and pixel-based tracking, the coming year will reward good agility and those who are open and responsive to change."

Ash Winder
Head of Performance Marketing, CTI



Summary

Although digital leaders and businesses around the UK have already made significant steps to adapt to the digital shift, there is no doubt that the exciting digital innovations and trends are leaving leaders excited for what's ahead in 2023.

Considering how much has happened in the world of digital transformation over the past few years, it's exciting to think that 2023 will also bring their fair share of technological advancements – and it's only just getting started.

