Digital marketing has experienced a meteoric rise in importance and will only continue to grow as consumers become more attached to their mobile devices and demand relevant, timely content from brands. Most marketing decision-makers don't possess the in-house capabilities to accomplish all of their digital marketing goals, which drives them to third-party partnerships. However, key performance metrics and areas of investment are always changing in order to engage and convert audiences through a cost-effective strategy. This report sheds light on the trends and insights we believe will make the biggest impact on the retail industry and marketing decisions in the very near future. Let's take a look.

1. Retailers feel optimistic about marketing spend, especially across social media.

Retailers will pump more money into marketing in 2018. In fact, 89% will be increasing marketing budgets this year to reach consumers and influence their purchase decisions. The growth of overall budgets is a trend that we have been watching for several years, however, this year, we can expect to see brands and retail marketers shifting their budgets to non-traditional areas of marketing. More retailers have a specific budget dedicated to social media marketing (78%) than they do for email marketing (67%) and driving mobile conversion (67%).

However, 10% of the largest retailers ($1B revenue or more) reported that their budgets will stay flat, an indicator of increasing pressure on big box and department stores to increase overall revenue.

2. Deals are not dying; they will be a key area of investment.

Promotions and deals will be a critical component of digital marketing plans and a key driver in increasing sales revenue and loyalty among customers. While most retailers plan to increase the number of promotions they offer in 2018 (76%), many are seeking ways to become more strategic in how they play in the promotions space and are working with partners to better measure the success of their promotions across all channels and audiences.
3. Increasing sales revenue is a top indicator of success.

Top 3 ways that brands measure the success of offers and promotions:

- Increasing sales revenue
- Driving new customer growth
- Increasing brand awareness & brand perceptions

Increasing sales revenue ranked most often as the leading factor for determining the success of the promotions that retailers and brands offer to consumers (56%), followed by new customer growth (55%) and brand awareness (50%).

Retailers that believe re-engaging lapsed customers is a low priority may be missing a big opportunity. Deals can be a valuable marketing tool for re-engaging a customer with a particular brand and often will redirect the consumer’s shopping journey back to the retailer — resulting in a sale. Additionally, multi-touch attribution (MTA) will be a focus for 50% of retailers in 2018 in order to better monitor the quality of traffic from advertising investments.

4. Growing brand awareness is a rising, critical component in the performance of promotional offers.

1 in 5 say growing brand awareness is the number one priority for evaluating offers

While sales revenue and new customer growth remain staples of success for retailers, there is a growing trend among brands that say brand awareness is their main focus for evaluating the success of marketing centered around deals and offers. In fact, 1 in 5 retail marketers reported this would be the most critical measure of success in 2018.

5. Website and app partnerships are crucial to digital marketing efforts.

Nearly 9 in 10 marketers surveyed said their brand will partner in some capacity with websites or apps focused on promotions, deals and loyalty. Further breakdown shows the majority prefer to work with comprehensive deal and website apps (62%), followed by cash-back-only platforms (53%) and loyalty specific apps (50%). Additionally, retailers are seeing the most return from general deal websites and apps, which provide a comprehensive digital marketing solution that can drive brand awareness and revenue through a variety of channels.
6. A majority of retailers shift focus away from Baby Boomers for younger generations.

As the shopping behaviors between generations continue to shift, so do retailers’ focus and targeting. Marketers who want to capitalize on the spending of younger generations are shifting marketing dollars toward them and away from older generations like Baby Boomers and seniors. This year, retailers will be paying close attention to the way that shoppers approach their journey and what they are demanding from their shopping experiences.

7. Retail marketers will be bullish on ad fraud.

More than 6 in 10 retail marketers will increase their direct media buying in 2018 in order to better monitor the quality of their traffic from advertising investments. Additionally, after spending much of 2017 debating the success of programmatic advertising buys, nearly half (48%) plan to reduce the amount of fraudulent advertising traffic by reducing programmatic spend. One area under scrutiny from major retailers and advertising players alike is the growth of multi-touch attribution and how it works alongside last-click measurement. Expect to see big shifts in which brands retailers partner with in order to reach the most engaged, quality audiences.

8. Improving mobile checkout is top of mind for increasing sales.

Which of the following tactics does your company plan to implement in 2018 in an effort to positively affect sales growth.

Top of mind for retailers is tackling the challenges with mobile web checkout and making sure they improve the experience for bottom-line gains. Based on survey results, mobile will be a key area for retailers looking to positively affect sales growth and offer consumers the smartphone shopping experience they are seeking. Additionally, among retailers with a brick-and-mortar presence, in-store cash back offers and card linked offers ranks high, with more than half planning to test these tactics in 2018 (54%).
More marketers have shifted their mobile team away from e-commerce to digital marketing, due to the increased opportunities of having mobile marketing impact all digital and in-store channels. In fact, 72% of retailers use mobile marketing to drive in-store sales, followed by 82% using it for mobile app sales and 93% using mobile marketing for online sales growth. Additionally 50% of retail marketers say that their mobile marketing team falls under digital marketing within their organization—up from 41% in 2016.

One of the biggest trends that retailers and brands can anticipate is the industry’s shift away from e-commerce, m-commerce and store-specific initiatives toward a focus on just commerce overall. Delivering a remarkable customer experience and solving for customer pain points, however, will be the winning combination for brands that succeed in this increasingly complex shopping journey.

**Methodology**

The RetailMeNot Retail Marketing Trends Survey was a 15-minute online survey fielded by Kelton Research between Tuesday, January 2, 2018, and Friday, January 5, 2018. During this time, 209 interviews were captured among marketing decision-makers who work at organizations that sell products both online and in physical retail locations. Key groups of interest were examined in this analysis, including Senior Managers/Directors+ and differing total revenues among retailers. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

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