

6 Predictions for Digital Advertising in 2011



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“Likes,” views and followers were all the rage in 2010. Despite the social media community emphasizing engagement instead of reach, media agencies quickly learned that engagement doesn’t scale easily, making it difficult to sell. Enter [Facebook](#) (👍), [YouTube](#) (👍) and [Twitter](#) (👍). As consumer use of social media spiked, the leading social networks retooled their advertising products to satisfy the newfound demand from brands. Instead of fizzling out like the popular online communities of yesteryear, they are driving toward profitability after several years of trying to figure out what they wanted to be when they grew up.

On the flip side, as consumers incorporate social media more into their daily lives, alternatives to the “big three” in the form of niche and location-based social networks have increased in appeal. Advertisers willing to experiment with media campaigns on these networks will have a distinct advantage moving forward as consumers become desensitized to text, display and even rich media ads. Whether they choose to go big or small, the social web equips advertisers with significantly more consumer data points than ever before to improve the targeting and relevance of online advertising. Below are six predictions for digital advertising in 2011.

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1. Local Advertising Becomes Relevant Again With Location

Location-based advertising will continue to grow in 2011 as Facebook expands the technology with its location platform, [Places](#). In addition to Facebook, many other players in the checkin space, including [Foursquare](#) (📍), [Yelp](#) (👍), [Shopkick](#), and last but not least, [Google](#) (📍), will condition shoppers to expect a deal or coupon for alerting friends of their whereabouts.

Relevance will distinguish these services from each other as the two biggest players, Facebook and Google, have the most powerful social graph data to customize deals for consumers. Don’t count [Groupon](#) out, though. It more than makes up for its comparative lack of technology with brand equity and scale, as its massive sales force will remain dominant in 2011 by further monetizing local commerce beyond the recently launched self-service platform.

2. Silicon Valley Will Be the Next Madison Avenue

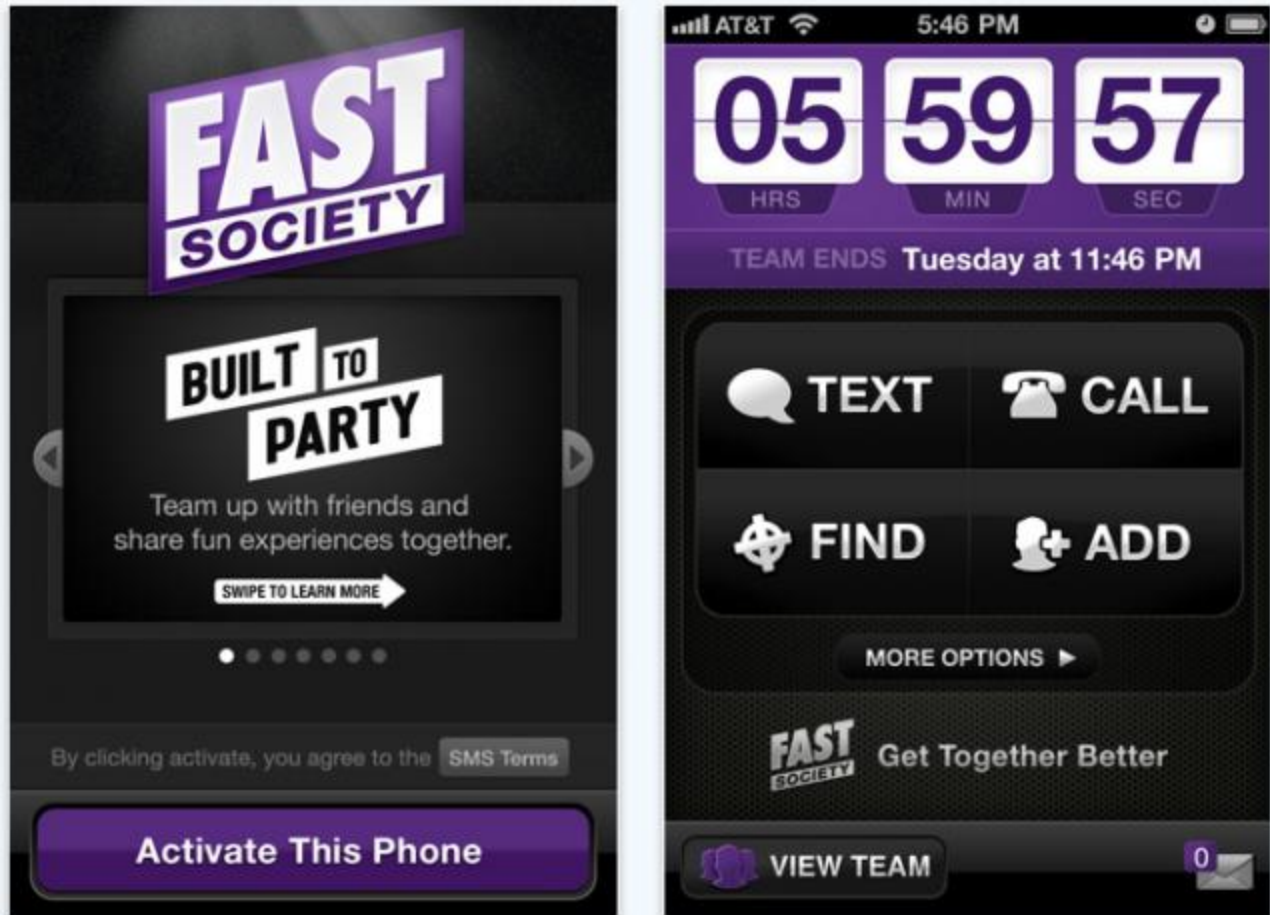
The coolest job in advertising used to be working for an agency in New York City or Chicago, but these days the dreams jobs are at Facebook and Twitter. Not unlike [Mail.ru Group](#) (formerly Digital Sky Technologies) attracting top bankers from Goldman Sachs, as Facebook and Twitter start generating more revenue, advertising and marketing talent will start heading West to cash in.

3. Influencers Will Be the Celebrities of the Social Web

Consumers are constantly scouring the social web to decide where to eat, shop and stay; so it comes as no surprise that brands are desperately analyzing Twitter, blog posts and reviews to understand not only who has the largest audience, but how much influence individuals have. YouTube's Partner Program is being joined by new services such as [Klout](#) to create an official layer of social credibility.

Klout scores are being used by The Palms Hotel in Vegas to gauge discounts for hotel guests, including through the "Klout Klub," which "will allow high-ranking influencers to experience Palms' impressive set of amenities in hopes that these influencers will want to communicate their positive experience to their followers." Creating thoughtful ways to leverage your influencers is the thing to focus on. People have always said it's cheaper to keep and please the customers you have, than acquire new ones.

4. Small Will Be the New Big for Social Networks



Despite Mark Zuckerberg's unwavering belief that an open and connected social web is best for society, early adopters are starting to experiment with new platforms designed to communicate and share media with smaller audiences. [Path](#) has shown us the potential of limiting our social networks to 50 people. [Fast Society](#) is a new iPhone communication service that allows the user to create small groups to text with on the fly, and the groups last for three days. Facebook also realizes some of us may prefer communicating with smaller networks. Facebook's new [Groups feature](#) allows us to segment our friends into personal, professional and interest-based communities, and openly engage in conversations not meant for our mother or colleagues to hear. Watch for more of these smaller, closed networks to launch in 2011 as people seek deeper connections online.

5. Brands Will Become More Like Media Companies

Social media has empowered brands to break their own news instead of relying on advertising or PR to disseminate their message. As brands become increasingly comfortable with social media on the whole, more budget and attention will be focused on high quality content created

specifically for the social web. We will see more Facebook Pages like [Skittles](#) that appear to employ comedy writers to keep the content fresh. It would seem that [“a brand’s best bet in social media is randomness.”](#)

6. Facebook “Likes” Will Be Important for Your Brand

While it’s still unclear exactly how much a Facebook “Like” is worth to a brand, the following video sums up why Facebook is so important.

Brands will be tripling down on Facebook advertising in 2011, and the process for acquiring Facebook “Likes” has evolved to accommodate this increase in demand. Instead of doing A/B testing between two photos to see which generates more Facebook “Likes,” the savvier brands and agencies are leveraging technology that can simultaneously deploy 10,000+ ad variations to yield the lowest CPA (cost per acquisition) of those “Likes.”
