



**SMB**

MEDIA CONSULTING

# Digital Spend Trends

*November 2023*





# Executive Summary

Welcome to a digital odyssey through the world of zeroes and ones, where we unravel the mysteries of digital spend and industry trends year on year. It's a rollercoaster ride of bytes, bucks, and yes, a dash of humor. We're about to embark on a journey through the digital universe, with a few stops to check out what the pandemic brought us and how it's changed our digital destiny.



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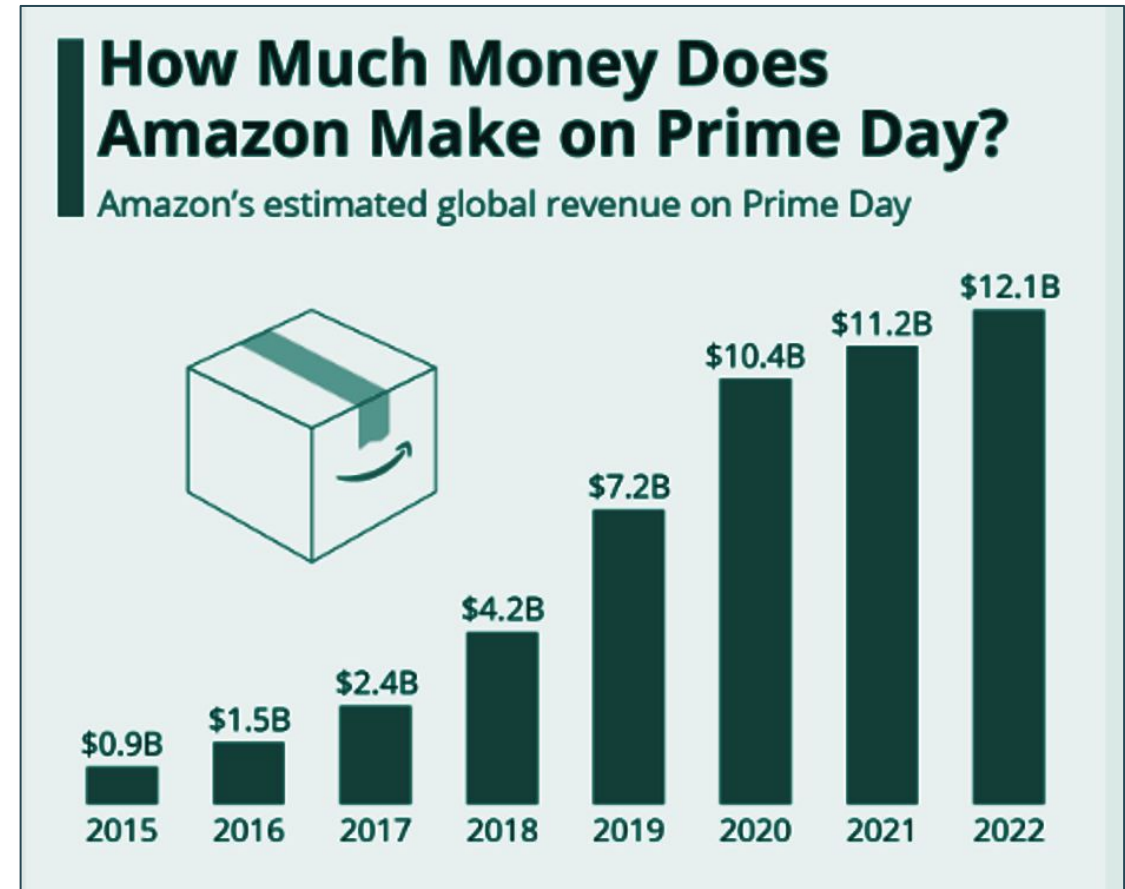
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# Introduction: Unmasking the Digital Behemoth

Ladies and gentlemen, step right up and behold the digital behemoth! Digital spend, the darling of the business world, encompasses all things digital. We're talking about the money companies pour into digital technologies, online marketing, and whatever else makes your smartphone buzz like an over-caffeinated bumblebee.

**The Digital Revolution Unveiled:** Think about Amazon Prime Day. It's not just a shopping spree; it's a digital extravaganza. In 2020, despite the pandemic, Amazon's Prime Day sales surpassed \$10 billion globally. That's the power of digital spend.



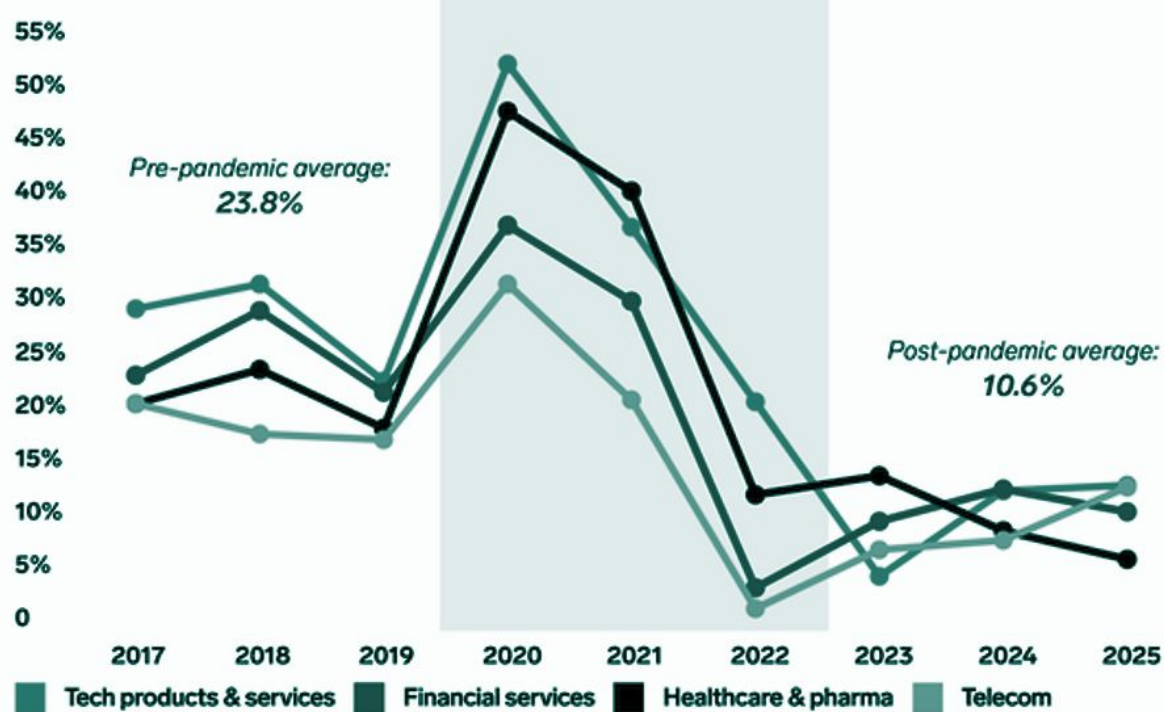
Source: [Statista](#)





# Digital Spend Trends Pre-Pandemic: The Calm Before the Digital Storm

**B2B Digital Ad Spend Growth Is Slower Post-Pandemic**  
*B2B digital ad growth rates (YoY) for key industries, 2017-2025*



*Note: includes advertising from the referenced industry that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices on all formats mentioned; includes ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets*

Source: [Insider Intelligence | eMarketer](#)

Before COVID-19 knocked on our collective door, digital spend was already the cool kid on the block. Companies, large and small, were allocating budgets for digital initiatives, sensing the winds of change. E-commerce was on the rise, digital marketing was all the rage, and the nerds were having a field day with big data and analytics.



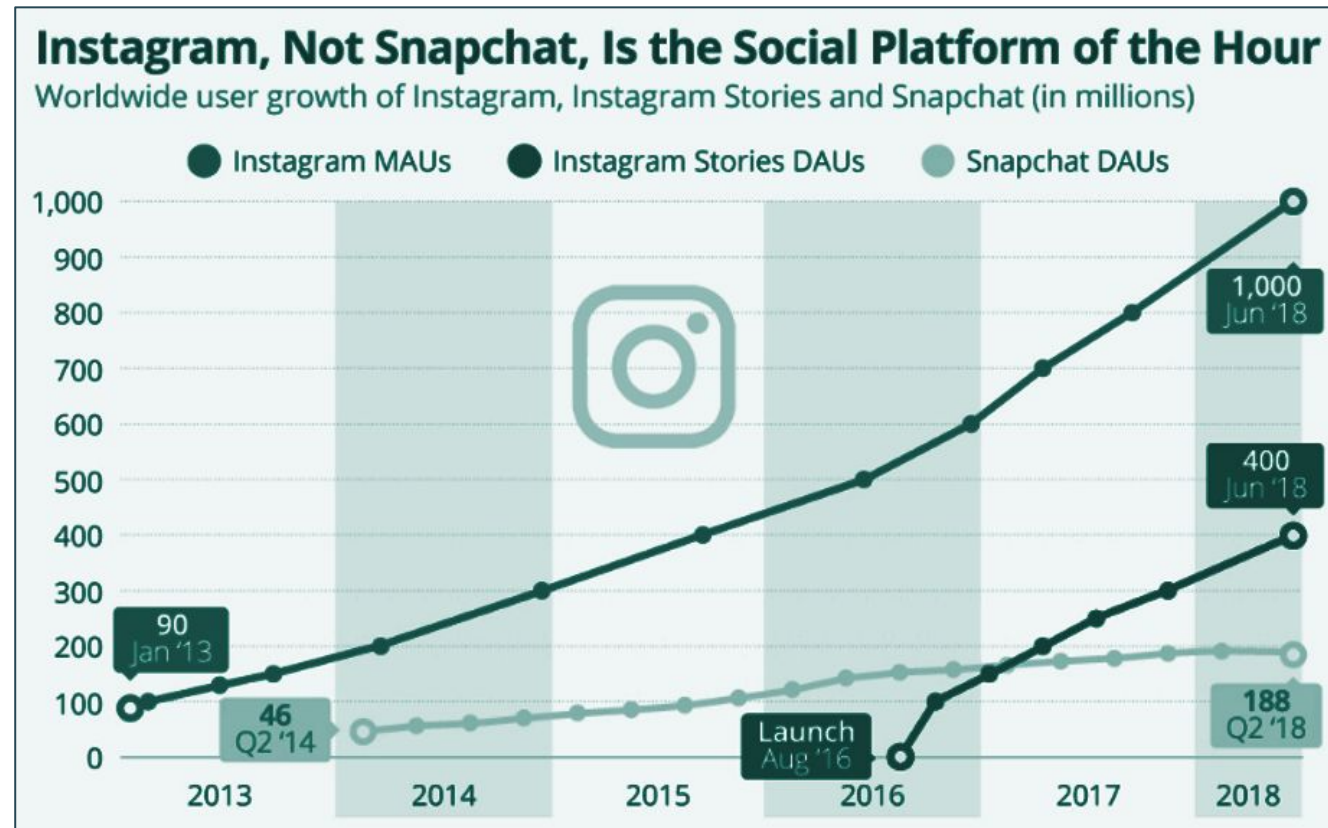
**E-commerce's Ascent:** Online shopping was no longer just an option; it was becoming a way of life. Retail giants and startups alike were building their digital storefronts, realizing that consumers wanted the convenience of shopping from their living rooms.

**The Amazon Effect:** Amazon's relentless expansion is a prime example. [In 2019, Amazon's net sales reached a whopping \\$280.5 billion, and its Prime membership exceeded 150 million.](#) This digital titan disrupted traditional retail.

**Digital Marketing Madness:** Billboards and flyers? So yesterday. Companies were pouring money into online advertising, influencer marketing, and social media campaigns. After all, where else could you reach millions with a single click?



**The Rise of Instagram:** [Instagram, with over 1 billion monthly active users](#), became a digital marketing hotspot. Influencers with millions of followers are now commanding substantial fees for sponsored posts.



Source: [Statista](#)





**The Data Gold Rush:** Big data was the new gold, and companies were mining it with gusto. Analytics tools were getting smarter, enabling businesses to make data-driven decisions faster than you could say "byte."

**Netflix's Data-Driven Success:** [Netflix, the streaming giant, used data analytics to inform its content creation.](#) Shows like *House of Cards* were born out of analyzing viewer preferences, and it paid off with millions of subscribers.



# The Covid-19 Pandemic: A Plot Twist of Epic Proportions

Just when we thought we knew where we were headed, in walked the pandemic, armed with face masks and hand sanitizers, ready to mess up our digital plans. Suddenly, e-commerce became the only commerce, digital marketing turned into a survival tactic, and remote work technology became the hero we never knew we needed.

**E-commerce's Meteoric Rise:** With physical stores temporarily shuttered, e-commerce skyrocketed. It wasn't just a trend; it was a lifeline for businesses and consumers alike. Amazon became everyone's best friend.

**The Amazon Boom:** In 2020, [Amazon's net sales surged to a staggering \\$386 billion.](#) The pandemic made Amazon the go-to source for everything from toilet paper to home gym equipment.



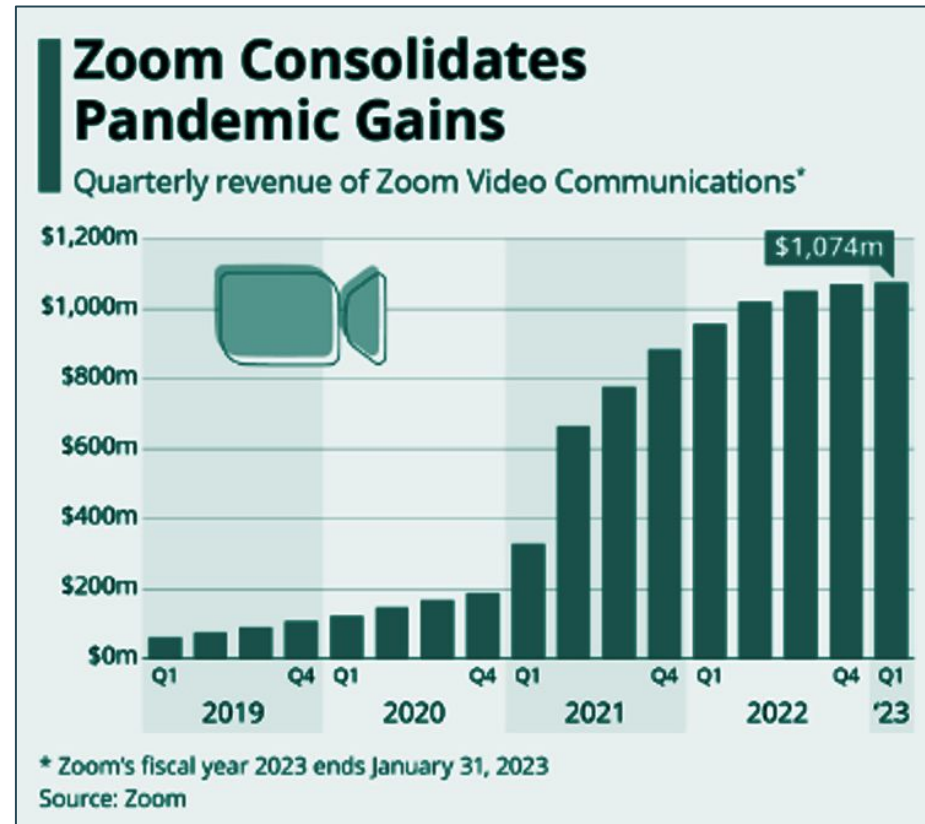
**Digital Marketing Pivot:** Companies pivoted their marketing strategies to online channels as billboards gathered dust and print media sat unread. Influencers promoted sanitizers and comfy home office gear instead of lipstick and luxury cars.

**The TikTok Phenomenon:** TikTok became the breakout star of the pandemic. [It gained 500 million new users in 2020.](#) Brands quickly hopped on the TikTok bandwagon, with viral challenges and influencer partnerships.

**The Remote Work Revolution:** Zoom, Slack, and Teams became our new best friends as remote work became the norm. Companies invested in collaboration tools and digital infrastructure to keep the wheels turning.



**Zoom's Astronomical Rise:** [Zoom Video Communications saw its revenue skyrocket from \\$623 million in 2019 to over \\$2.6 billion in 2020.](#) Virtual meetings became the lifeline for businesses worldwide.



Source: [Statista](#)





**Healthcare's Digital Awakening:** Telehealth and digital health solutions experienced unprecedented growth. Suddenly, your doctor's appointment was a video call, and wearable tech was monitoring your vitals.

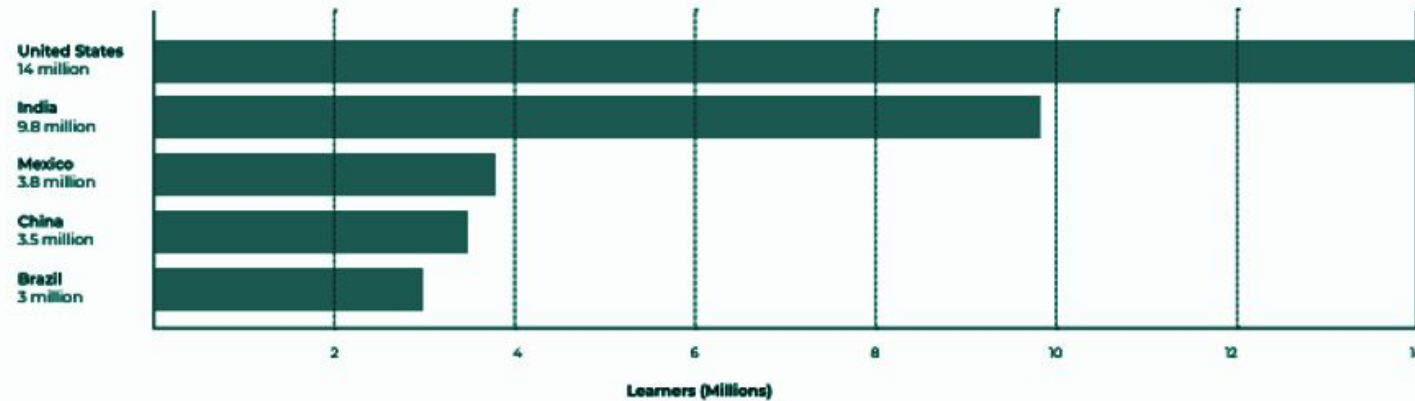
**The Telehealth Revolution:** [Teladoc, a telehealth company, saw a 109% year-over-year increase in total visits in 2020.](#) Patients embraced virtual healthcare visits, signaling a fundamental shift in healthcare delivery.

**Education's Digital Evolution:** Educational institutions, from kindergarten to universities, embraced online teaching and e-learning platforms. Students traded school buses for laptops, and teachers became online content creators.

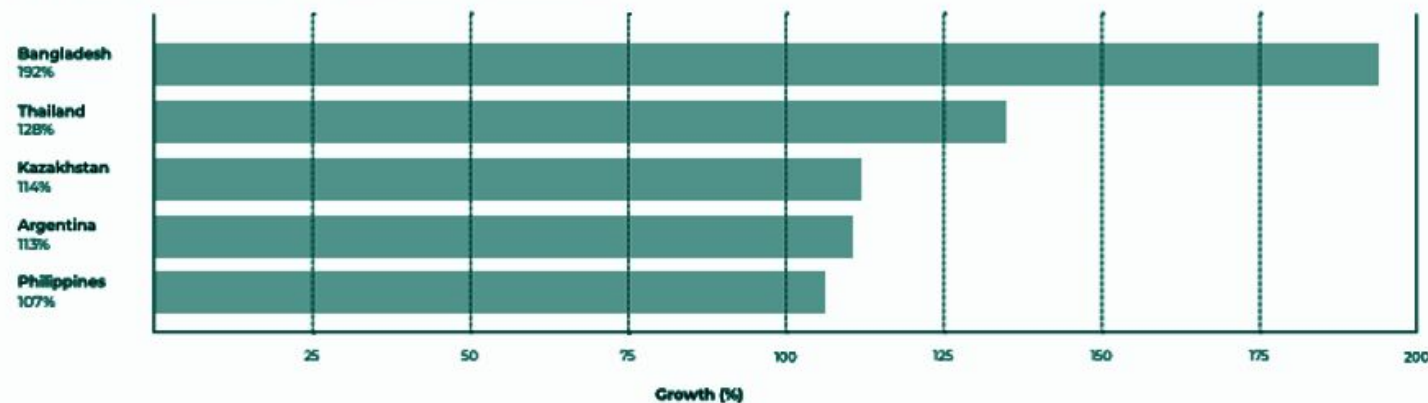


## Global Learner Trends

### Top 5 countries with the most learners



### Top 5 countries by learner growth



\*Covers the period of September 15, 2019 — September 15, 2020 \*\*See appendix for further skills methodology

**The EdTech Boom:** EdTech companies like Zoom for Education and Google Classroom became household names. [Coursera](#), an online learning platform, reported a 353% growth in registered users during the pandemic.



# Post-Pandemic Digital Spending Trends: What's Cookin' in the Digital Kitchen?

As we emerged from our Zoom-cave, digital spending trends continued to evolve. Hybrid work environments became all the rage because who needs an office anyway? Digital health exploded like a supernova, and online learning, well, it's here to stay.

**The Hybrid Work Revolution:** The office was no longer a 9-to-5 prison; it became a space for creative collaboration. Hybrid work, balancing in-person and remote work, was the new buzzword.

**The Rise of the "Hybrid Office":** Companies like Google and Microsoft embraced hybrid work models. They invested in technology and office redesigns to create environments conducive to collaboration, whether in-person or virtual.



**Digital Health's Ongoing Surge:** Telemedicine and remote patient monitoring continued to thrive, with health tech startups disrupting traditional healthcare models. Data security became paramount because, let's face it, no one wants their medical records floating around the dark web.

**Digital Health Startups:** Companies like Ro, offering telemedicine for various health issues, raised significant funding during the pandemic. Ro's valuation reached \$5 billion in 2021, highlighting the growing interest in digital health. Source: Forbes

**Education 2.0:** Blended learning, a mix of online and in-person education, was the new normal. EdTech innovations kept students engaged, and digital inclusion efforts aimed to bridge the digital divide.

**The Learning Management System (LMS) Renaissance:** LMS providers like Canvas, Blackboard, and Moodle underwent transformations to enhance the online learning experience. Features like interactive assessments and video conferencing integrations became standard.





**Fintech's Digital Dance:** The world of finance saw digital banking and mobile apps take center stage. Cryptocurrency and blockchain technologies gained traction, and regulatory changes adapted to fintech innovations.

**The Neo-Banks Emerge:** Digital-only banks like Chime and Revolut gained millions of users during the pandemic. Chime alone reported 12 million customers in 2021, challenging traditional banks with their user-friendly interfaces and fee structures.

Source: Forbes

# Industry Specific Insights: Get Ready for the Deep Dive



**E-commerce and Retail - The Shopaholic's Dream:** E-commerce wasn't just a trend; it was a lifeline during the pandemic. Now, it's all about omnichannel strategies, personalization, and making eco-conscious choices while you shop online. It's like retail therapy, but for the planet.

**Omnichannel Strategies:** Integration of online and offline sales channels became essential. Shoppers expected a seamless transition from browsing online to trying out products in-store.

**The Pop-Up Store Resurgence:** Brands like Amazon and Warby Parker experimented with pop-up stores. It's a bridge between online and offline shopping, allowing customers to experience products before making a digital purchase.



**Personalization Prowess:** Enhanced customer experiences through AI-driven recommendations and tailored content. Your favorite online store knows you better than your best friend.

**Amazon's Personalization:** Amazon's recommendation engine, powered by AI and machine learning, analyzes your past purchases and browsing history to suggest products. This personalization increases the chances of making a sale.

**Sustainability Spotlight:** Increased focus on eco-friendly practices in e-commerce operations, from packaging to supply chains. Sustainable shopping isn't just a trend; it's a movement.

**The Sustainable Packaging Revolution:** Companies like Loop are reimagining product packaging. Loop offers reusable containers for everyday items, reducing single-use plastic waste. Major brands like Unilever and Nestlé have joined the initiative.



**Healthcare - Where Dr. Robot Meets Big Data:** Healthcare got a digital makeover with telehealth, remote patient monitoring, and more health tech startups than you can shake a stethoscope at. Data security became paramount because, let's face it, no one wants their medical records floating around the dark web.

**Telehealth's Evolution:** Continued expansion of telehealth services and remote patient monitoring. Your doctor might be a robot, and you're okay with it.

**Robot-Assisted Surgery:** Intuitive Surgical's da Vinci Surgical System is a prime example. Surgeons use robotic arms for precision surgeries. The system has been used in over 8 million surgeries worldwide.

**Health Tech Startups:** The healthcare startup scene exploded with innovative solutions, from wearable devices to AI-powered diagnostics. The future of healthcare is a tech wonderland.





**The Rise of Wearable Health Tech:** Companies like Fitbit and Apple have transformed wearables into health monitoring devices. The Apple Watch can measure your heart rate, track your sleep, and even take an ECG.

**Data Security Matters:** Heightened focus on protecting patient data. Your medical records are more valuable than gold in the digital age.

**Blockchain for Health Records:** MedRec, a blockchain-based system, allows patients to control who accesses their medical records. It ensures data privacy and security while granting patients more control.

**Education - The Classroom in Your Pajamas:** Forget the school bus; your laptop is your ride to school now. Blended learning, EdTech innovations, and digital inclusion efforts are changing the way we learn. It's like a never-ending summer vacation, but with math homework.



**Blended Learning:** A hybrid approach combining online and in-person education. You're in your pajamas, but you're also learning calculus.

**The Flipped Classroom:** Teachers use online platforms for lectures and reserve in-person class time for discussions and activities. It's a student-centric approach that enhances learning.

**EdTech Expansion:** Investment in educational technology companies, from online course platforms to interactive learning apps. Learning is now at your fingertips.

**Khan Academy's Impact:** Khan Academy, a nonprofit educational platform, offers free online courses in various subjects. During the pandemic, it became a lifeline for students around the world.

**Digital Inclusion:** Efforts to bridge the digital divide in education, ensuring that all students have access to digital resources. Education shouldn't discriminate based on your Wi-Fi speed.



**The One Laptop Per Child Project:** This initiative provides affordable laptops to students in low-income countries. It aims to reduce the digital divide by giving all children access to digital education.

**Finance and Fintech - Dollars and Data Dancing:** Digital banking, cryptocurrencies, and ever-evolving regulations—finance is moving at warp speed. Your smartphone is the new bank, and Bitcoin is the new gold. But don't forget to protect your digital assets; cyber pirates are lurking in the digital waters.

**Digital Banking Delight:** Acceleration of digital banking services and mobile apps. The days of waiting in bank queues are over.

**Challenger Banks Emerge:** Companies like Monzo and N26 offer user-friendly digital banking services without traditional banks' bureaucratic hurdles.



**Cryptocurrency Craze:** Increased interest and investment in cryptocurrencies and blockchain technologies. Bitcoin became the new gold standard.

**The Rise of Stablecoins:** Stablecoins like USDC and USDT provide the benefits of cryptocurrency without the price volatility. They're increasingly used in digital transactions and DeFi (Decentralized Finance).

**Regulatory Changes:** Evolving regulations in response to fintech innovations. Regulators are trying to catch up with the crypto cowboys.

**SEC vs. Ripple:** The U.S. Securities and Exchange Commission (SEC) filed a lawsuit against Ripple Labs, claiming that XRP (Ripple's cryptocurrency) was a security. This legal battle has significant implications for the cryptocurrency industry's regulation.





# Technology Driving Digital Spend: From AI to Blockchain

What's powering this digital frenzy, you ask? Well, it's a tech smorgasbord! Artificial intelligence is making everything smarter, cloud computing is scaling up, IoT and 5G are connecting your fridge to the internet, and blockchain is securing transactions faster than you can say "crypto."

**Artificial Intelligence (AI) Everywhere:** AI and machine learning are used for personalization, automation, and analytics. Siri and Alexa are just the tip of the AI iceberg.

**Netflix's Recommendation Engine:** Netflix uses AI to analyze your viewing history and suggest shows and movies tailored to your tastes. This personalization keeps you glued to the screen.



**Cloud Computing's Scalable Kingdom:** Scalable cloud solutions enable cost-effective digital infrastructure. Your data is floating around in the digital ether.

**Amazon Web Services (AWS):** AWS is a prime example. It offers a wide range of cloud services, from storage to machine learning, empowering businesses to scale rapidly.

**IoT and 5G Connectivity:** Internet of Things (IoT) devices and 5G networks are enabling new possibilities in various industries. Your fridge can now order groceries when you're running low on milk.

**The Smart Home Revolution:** Devices like Nest Thermostat and Philips Hue smart lights connect to your home's Wi-Fi. They can be controlled remotely via smartphone apps.



**Blockchain's Security Blanket:** Blockchain technology is transforming finance, supply chain management, and digital identity verification. Transactions are secure, and trust is built into the code.

**The Binance Smart Chain:** Binance Smart Chain is a blockchain platform that enables the creation of decentralized applications (DApps). It offers faster transaction times and lower fees than its competitors, making it a preferred choice for DeFi projects.





# Future Predictions and Recommendations: The Crystal Ball Gazing

What's next in this digital adventure? Here's what we see in our crystal ball:

**Hybrid Work is Here to Stay:** The office is no longer a 9-to-5 prison; it's where you have your coffee meetings.

**Digital Health is a Growth Sector:** Your doctor might be a robot, and you're okay with it.

**Sustainability Matters:** You're a conscious shopper now; eco-friendly e-commerce is your jam.

**Data Privacy and Security:** You guard your data like a dragon guards its treasure.

**Education Transformation:** The future of learning is a mix of screens and classrooms.



Our recommendations for businesses? Buckle up for the digital future. Invest in digital infrastructure, stay agile, make customers feel special, be sustainable, and, for heaven's sake, protect that precious data!







# Conclusion: Buckle Up for the Digital Future

In the grand digital theater, the show must go on. The pandemic was the plot twist we didn't see coming, but the digital journey continues. From e-commerce extravaganzas to healthcare hi-jinks, education escapades, and fintech finery, it's a digital world out there, and it's changing faster than you can refresh your browser.

So, dear reader, as you step out of this digital rabbit hole, remember that the future is digital, and the digital future is now. Embrace it, adapt to it, and never forget to protect your data; it's the digital gold of the 21st century. In this digital adventure, there are no spectators—only participants in the greatest show on the web. Strap in, and let's ride this digital wave into the future!



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