State of the Industry 2022

Modern marketing in EMEA

in association with MMA EMEA

In this report

To drive growth in the digital age, marketing needs to modernise a specific set of capabilities and mindsets.

But as complexity grows, marketers face increasingly difficult choices about: where to allocate their investments; what objectives and tactics to choose; and what capabilities to develop in order to drive future growth.

This report – a collaboration between WARC and MMA EMEA – examines how the industry is approaching these challenges, with a focus on current trends and future opportunities.

Contents

Takeaways

1. The pandemic has resulted in **improved digital marketing capabilities** for a majority of businesses.

2. **Data** is a **key building-block** in digital marketing strategies and being leveraged widely to **drive improvements** in marketing.

3. Despite **brand awareness and generating sales being two key priorities in digital marketing**, marketers are not always using metrics that enable them to measure brand and business outcomes.

4. **Audio** and **gaming** are **untapped opportunities for marketers**, receiving a fraction of the overall marketing budget compared to other channels.

5. **Multiscreening** and **watching video** are recognised as the **most significant consumer behaviours** for marketing.

6. Over a third of marketing professionals are **preparing for the advancement of Web3 while nearly half expect the metaverse** to impact marketing within five years.

7. **AI and machine learning** is the technology expected to have the **most impact on marketing over the next five years.**

8. **Skills and measurement** are recognised **as key barriers to growth** in marketing across the EMEA region.

What this means for:

Advertisers

- Marketers must move beyond 'vanity' metrics to understand the role of advertising in driving brand and business outcomes.
- Audio and gaming make up a tiny percentage of current marketing budgets and represent two potentially untapped opportunities for brands.
- Advertisers that are proactive about closing the current digital marketing skills gap will find themselves at a competitive advantage in digital transformation.

Agencies

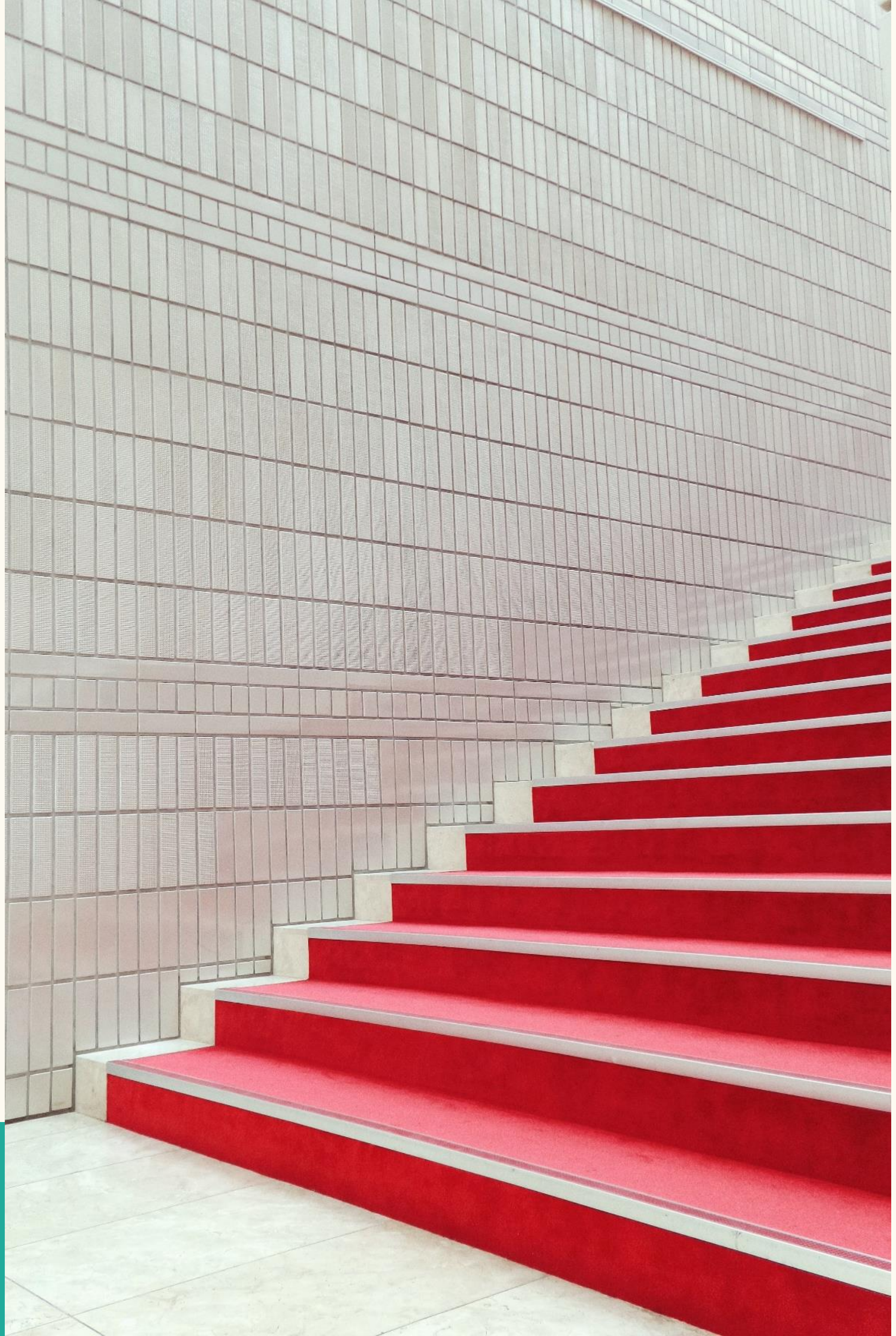
- Agencies have an important role to play in helping their clients define and evaluate campaign success and advertising effectiveness.
- Exposure to a breadth of clients, categories and trends means agencies are well positioned to help advertisers adjust to new consumer behaviours and experiment with emerging channels.
- Current skills gaps in digital marketing open up potentially new sources of revenue for agencies who want to support upskilling within client-side teams.

Media owners

- While display and video advertising continue to be important sources of income for publishers, revenue diversification is key in the battle for long-term and sustainable growth
- Data and content partnerships with platforms present new revenue opportunities for publishers, however, this should not come at the expense of focusing on building quality and privacy-compliant first party audience datasets.

Chapter 1

Modern marketing objectives



Modern marketing in EMEA 2022

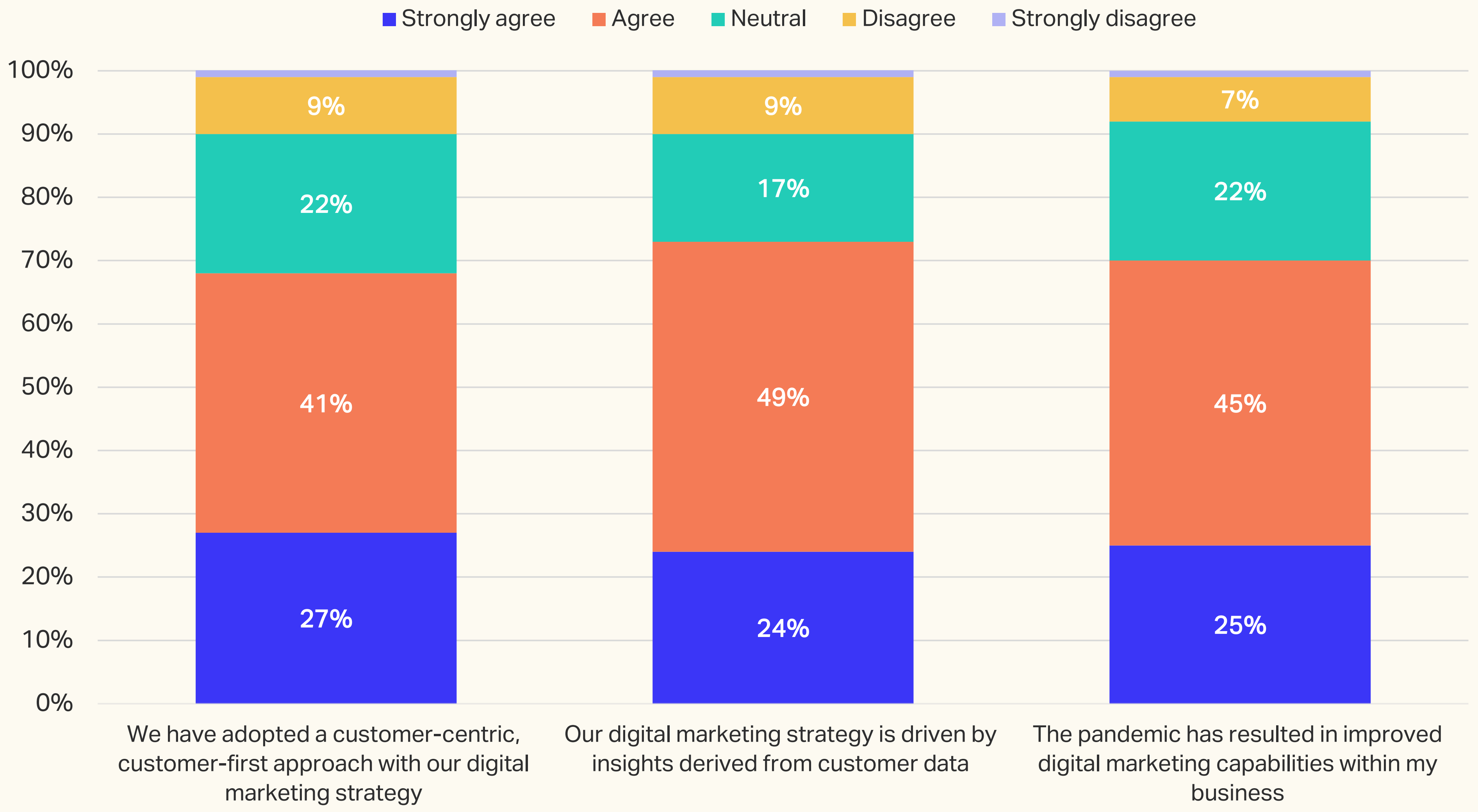
MMA WARC

A majority (68%) of respondents have adopted a customer centric approach to digital marketing

Brands that take this approach place good service and customer experience at the heart of their business culture and strategy.

A key factor in the adoption of consumer centric strategies is the growth of data analytics. Nearly three-quarters (73%) of respondents say their marketing strategy is driven by insights derived from consumer data. A further 70% observe a general improvement in their digital marketing capabilities as a result of the pandemic.

To what extent do you agree or disagree with the following statements about digital marketing?

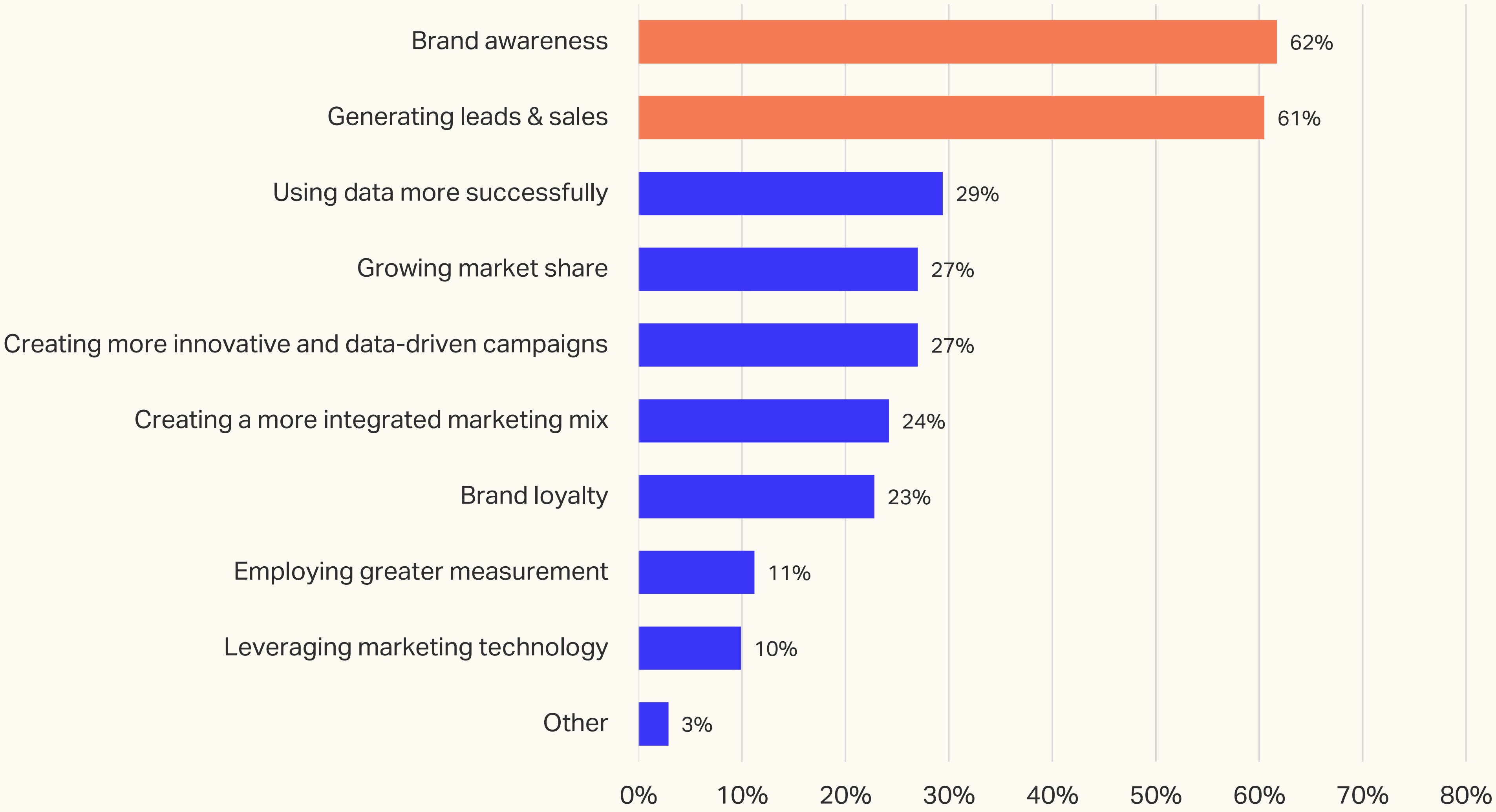


Brand awareness and generating leads & sales are two key priorities in digital marketing

Nearly two-thirds of respondents selected brand awareness (62%) and generating leads & sales (61%) as top priorities for digital marketing. In a recent global marketing survey, Nielsen also highlighted brand awareness as a top objective for marketers, closely followed by customer acquisition.

Other key priorities in digital marketing include using data more successfully (29%), growing market share (27%) and creating more innovative and data-driven campaigns (27%).

Which of the following are your / your typical client's key priorities in digital marketing?

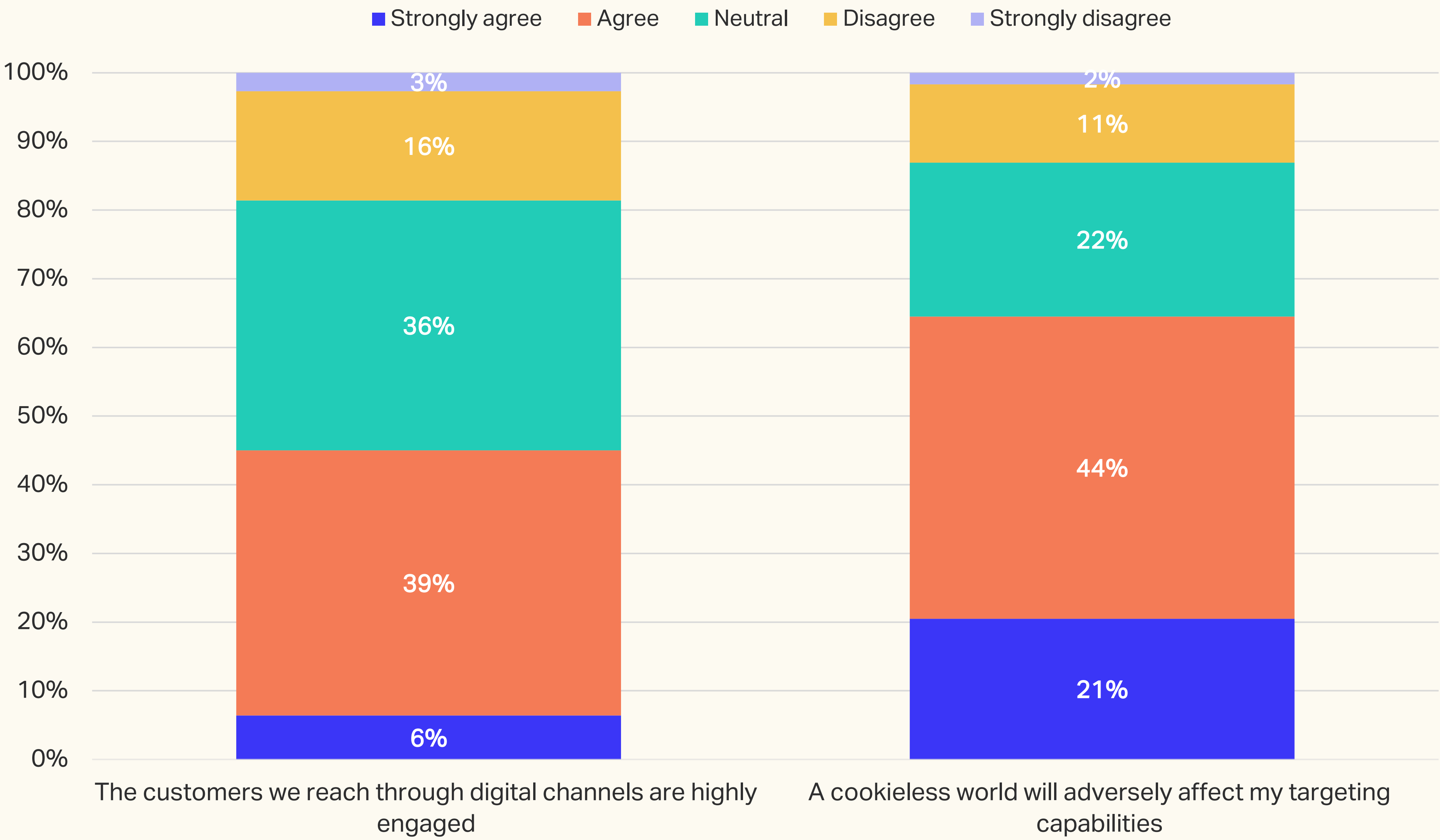


There are doubts about the extent to which digital channels drive high engagement

While nearly half (45%) agree that digital channels drive high engagement, the rest of respondents are either neutral (36%) or disagree (19%). These mixed findings could be due to the lack of consensus on what engagement actually 'is', or point to bigger concerns around measurement in digital marketing.

Targeting is another area of concern, with nearly two-thirds (65%) suggesting the shift to a cookieless world will adversely affect their audience targeting capabilities.

To what extent do you agree or disagree with the following statements about digital marketing?

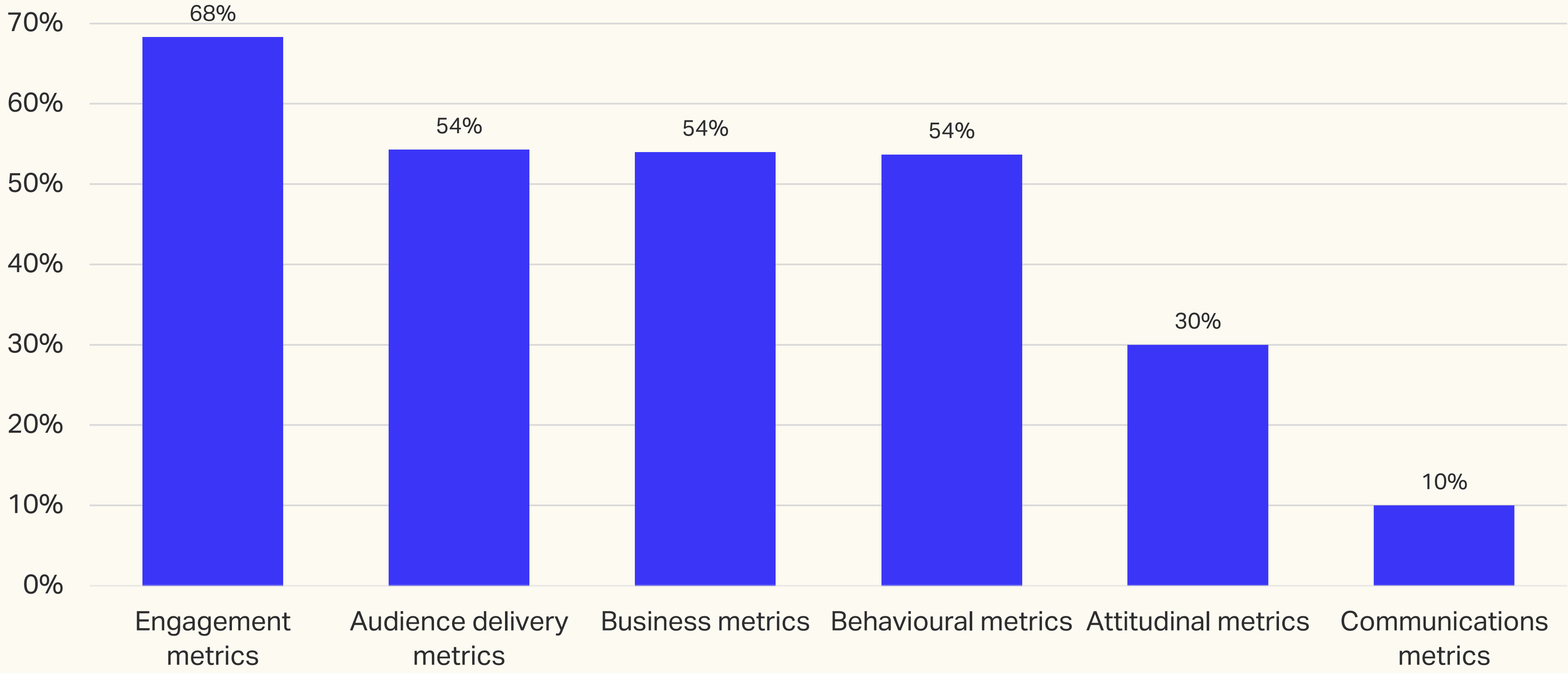


Engagement metrics are most frequently used to measure marketing effectiveness

Despite brand awareness and generating leads & sales being key priorities in digital marketing, only around a half (54%) and one-third (30%) of respondents are using the most suitable metrics (business and attitudinal metrics) to measure these outcomes.

By contrast, more than two-thirds (68%) of respondents say they use engagement metrics to measure marketing effectiveness. These types of metrics have been criticised for failing to adequately capture the role of advertising in driving brand and business outcomes.

Which of the metrics below do you or your clients most use to measure digital marketing effectiveness?



Engagement metrics (i.e. video completion rates, social sharing, CTR etc.)
Audience delivery metrics (i.e. impression delivered by target group, or viewable impressions)
Business metrics (i.e. ROI, incremental sales, profit, LTV)
Behavioural metrics (i.e. post click engagement, traffic to sites etc.)
Attitudinal metrics (i.e. awareness, image and other brand KPI's based on surveys)
Communications metrics (i.e. PR value)

MMA Smarties, Gold, EMEA, 2021

Samsung: Samsung Galaxy Ecosystem

Agency:
AdColony

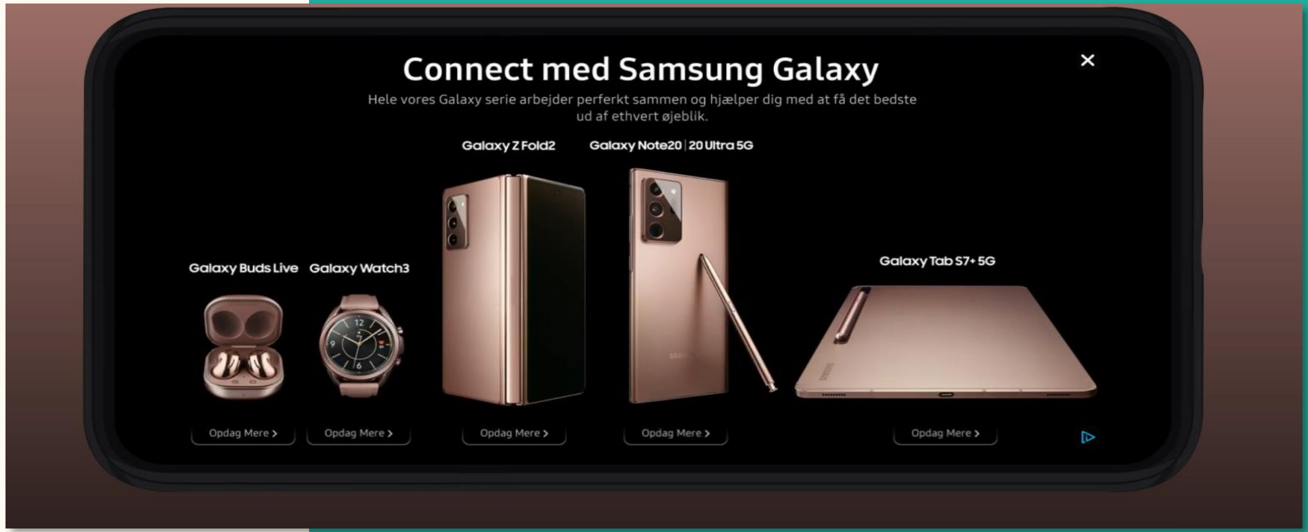
Advertiser:
Samsung

Market:
Europe

Samsung, an electronics corporation, launched an interactive campaign on mobile devices to capture attention and drive engagement with its products.

With competition high around Christmas, Samsung wanted to launch a campaign targeting existing device users and brand lovers to drive engagement with its products.

The campaign used the AdColony platform and Aurora technology to create a video on mobile devices with built-in interactive features. Using different gestures (e.g. tapping, drawing), users were able to explore different products within the Samsung Galaxy Ecosystem.



Results

140% brand uplift

2.5m dedicated engagements

14.8 hours spent with the brand in total

Takeaways

- By targeting existing device users, Samsung was able to drive awareness of its products among those with an affinity for the Samsung brand.
- The AdColony platform and Aurora technology allowed Samsung to create a campaign that promoted direct interaction with its ecosystem of products.

To view other case studies from the MMA Smarties click here

Chapter 2

Modern marketing budgets

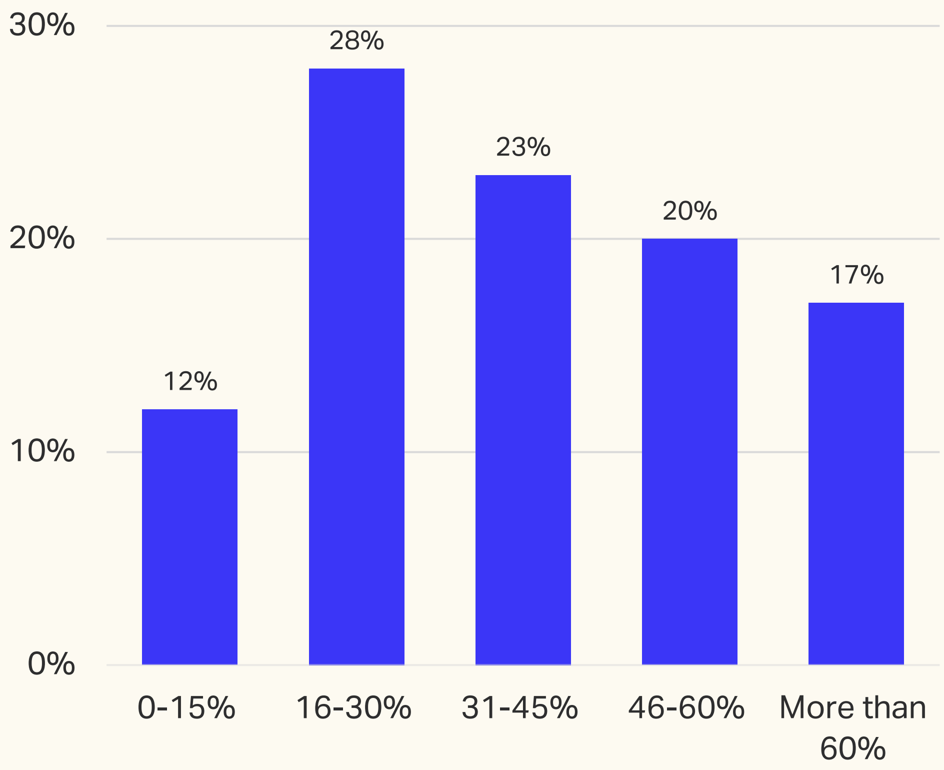
Modern marketing in EMEA 2022

A majority (63%) suggest less than half of budgets go to digital marketing and advertising

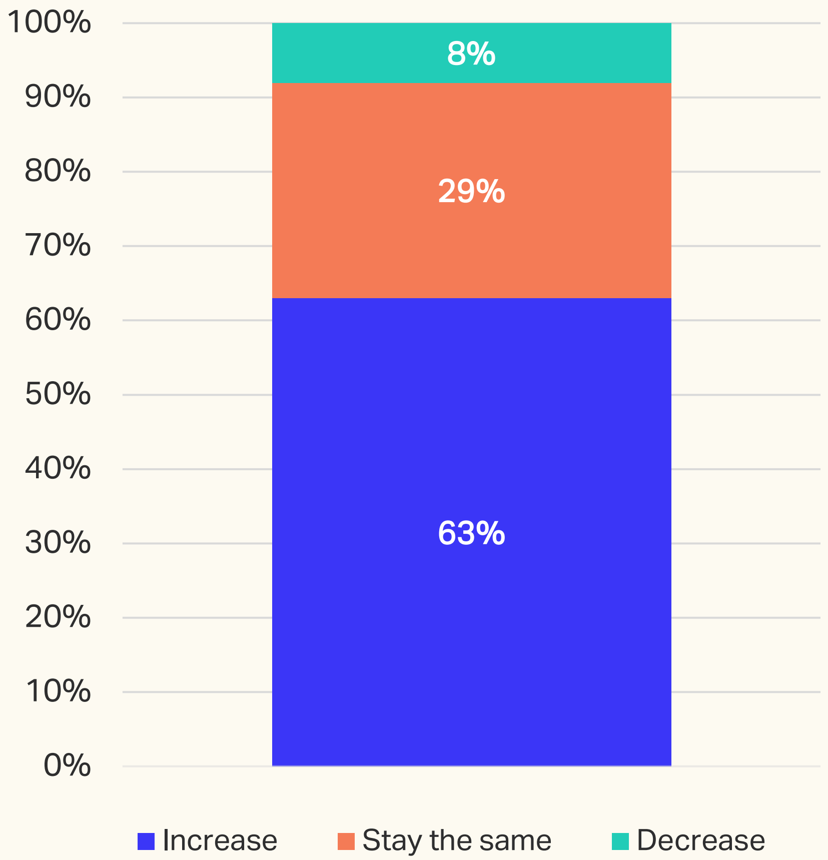
Based on 2022 ad spend figures, this is lower than expected. For example, data from Gartner suggests marketers will spend more than half of their total budget on digital advertising in 2022.

That said, nearly two-thirds (63%) indicate they expect budgets for digital marketing and advertising to increase over the next 12 months, while only 8% expect digital budgets to decrease.

What percentage of your or your clients' typical budgets are being allocated to digital marketing and advertising?



How do you expect you / your client's digital marketing and advertising budgets to change over the next twelve months?



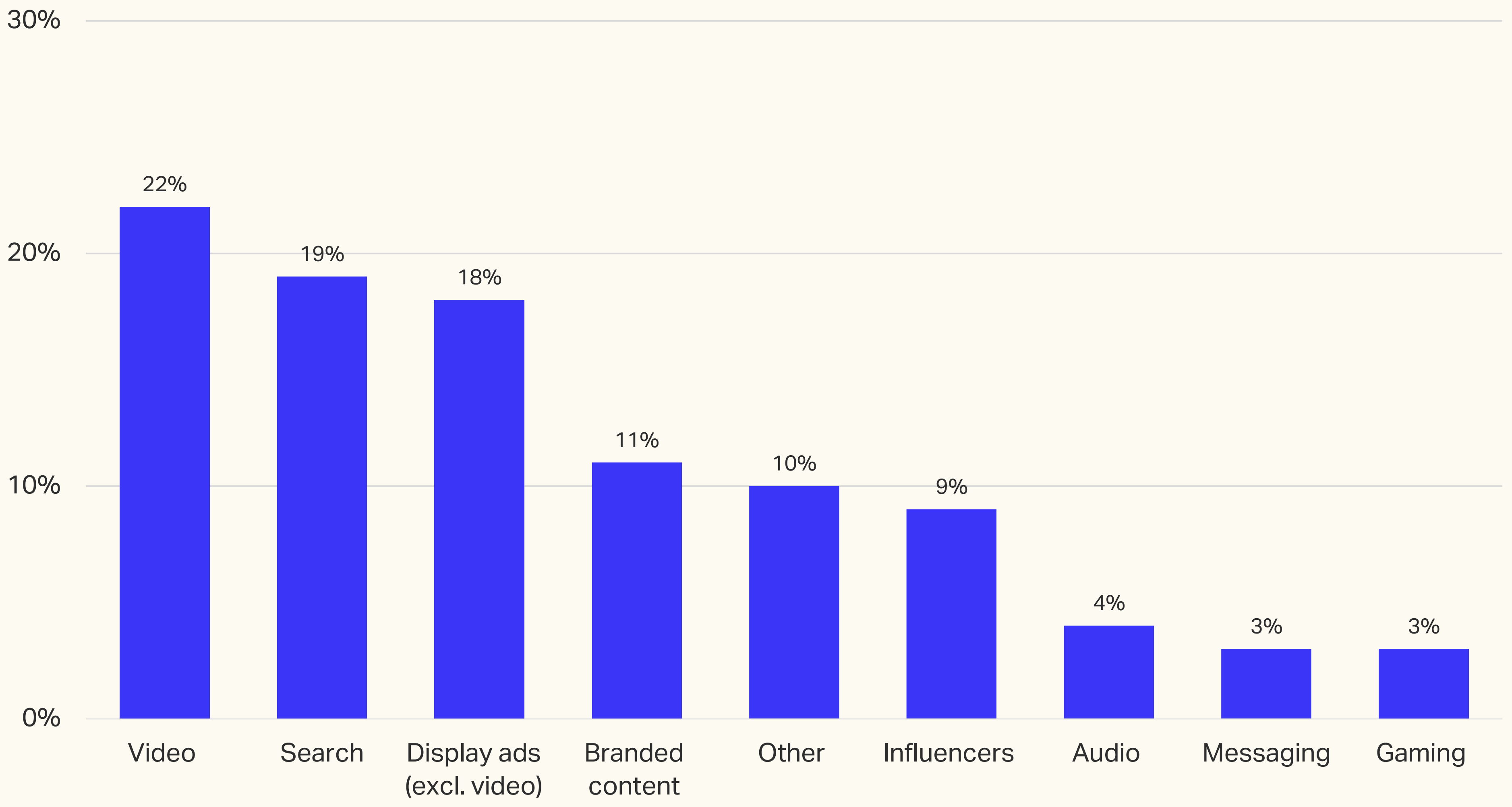
MMA WARC

Display, video and search account for more than half (59%) of digital advertising budgets

On average, video receives 22% of the digital advertising budget, closely followed by search (19%) and display (18%).

At the other end of the spectrum, audio (4%) and gaming (3%) receive a very small spend allocation even as marketers become increasingly cognisant of opportunities in areas such as online audio and esports. Indeed, both gaming and audio are highlighted elsewhere in this report as consumer behaviours expected to significantly impact marketing.

Approximately what percentage of your / your clients' digital marketing and advertising budgets are you allocating between the following channels?



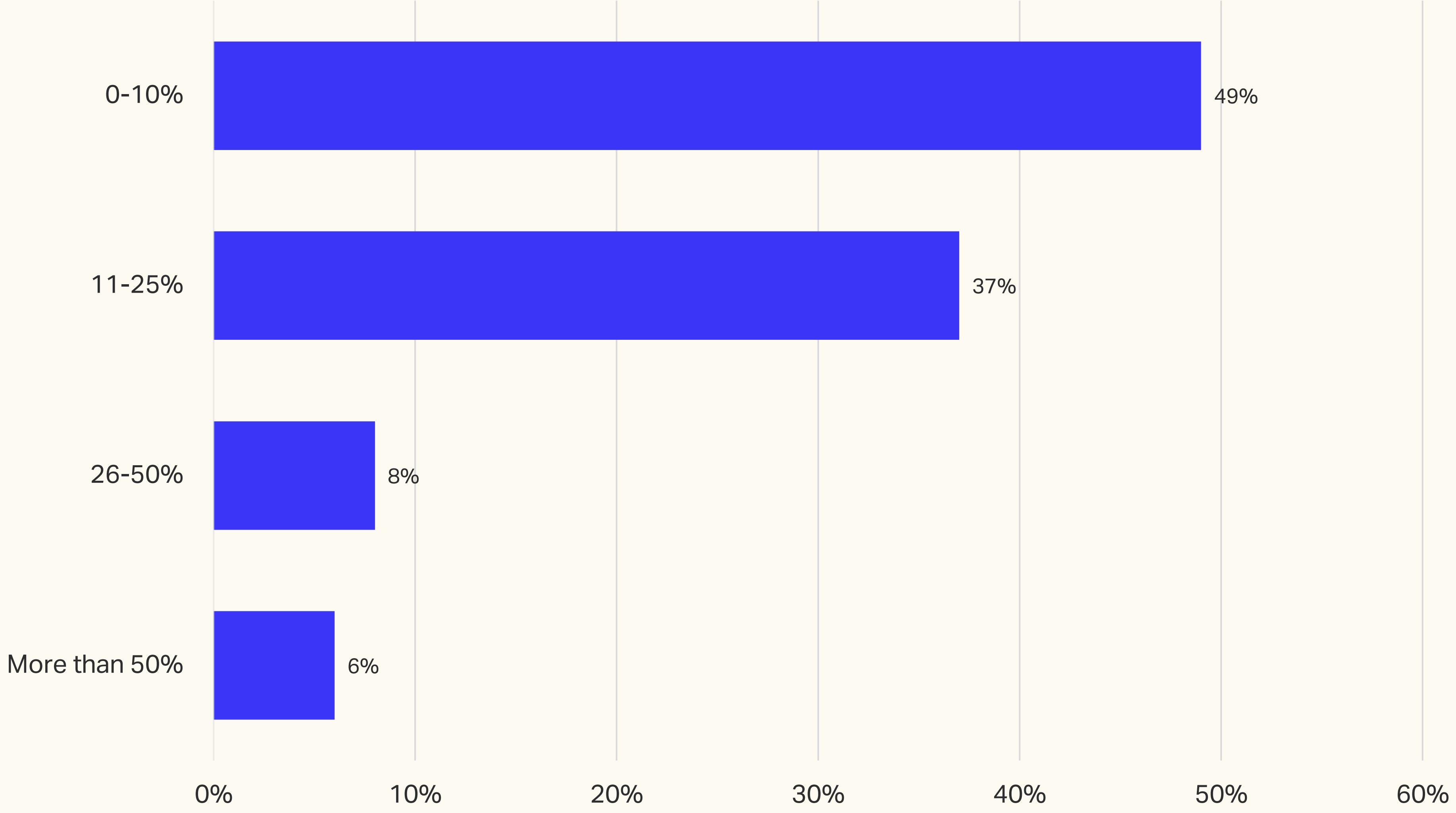
MMA WARC

Nine in ten (86%) will allocate up to 25% of their budget to marketing technology

The COVID-19 pandemic led to a renewed focus on growing the marketing technology stack and this looks to continue through 2022.

Research by Gartner shows that marketing technology remains an important capability gap from the perspective of CMOs. Spending in martech requires careful and considered investment. The evidence suggests martech stacks are not being utilised to their full potential, resulting in operational inefficiencies and wasted investments.

Approximately how much of your / your typical client's budget for 2022 will be invested in marketing technology?



Chapter 3

Consumer trends & opportunities

Modern marketing in EMEA 2022

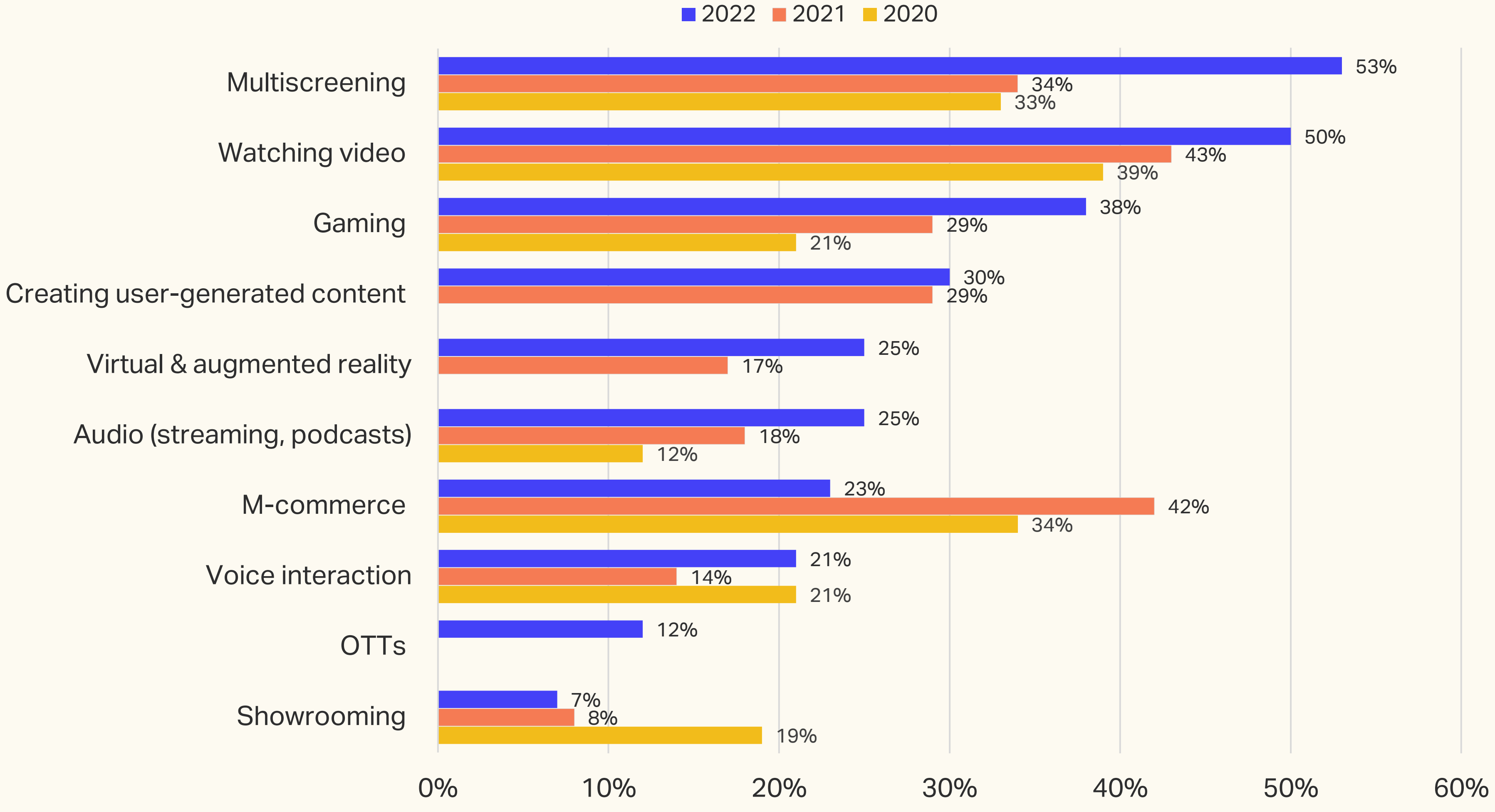
Multiscreening and video consumption are two significant behaviours for marketing

More than half of respondents (53%) selected multiscreening as a significant trend; nearly the same number as those who selected watching video (50%)

Gaming (38%) was the third most selected trend, despite making up a tiny fraction of current digital marketing budgets.

A quarter selected VR / AR (25%) and audio (25%), with audio highlighted by WARC as an investment gap for many marketers.

Of the following consumer behaviours that are increasingly involving personal devices, which do you think have the most significance for the marketing industry?



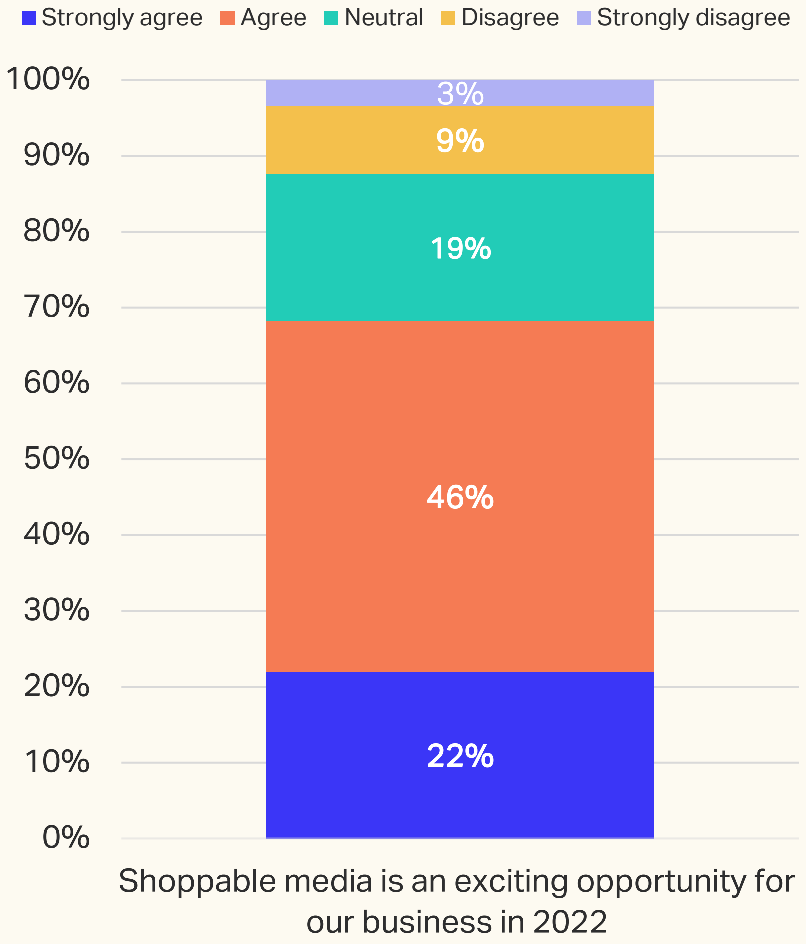
Note: Previous iterations of this survey question referred to 'mobile' devices, which has been generalised to 'personal' devices in this survey.

Shoppable media remains an exciting opportunity in digital marketing

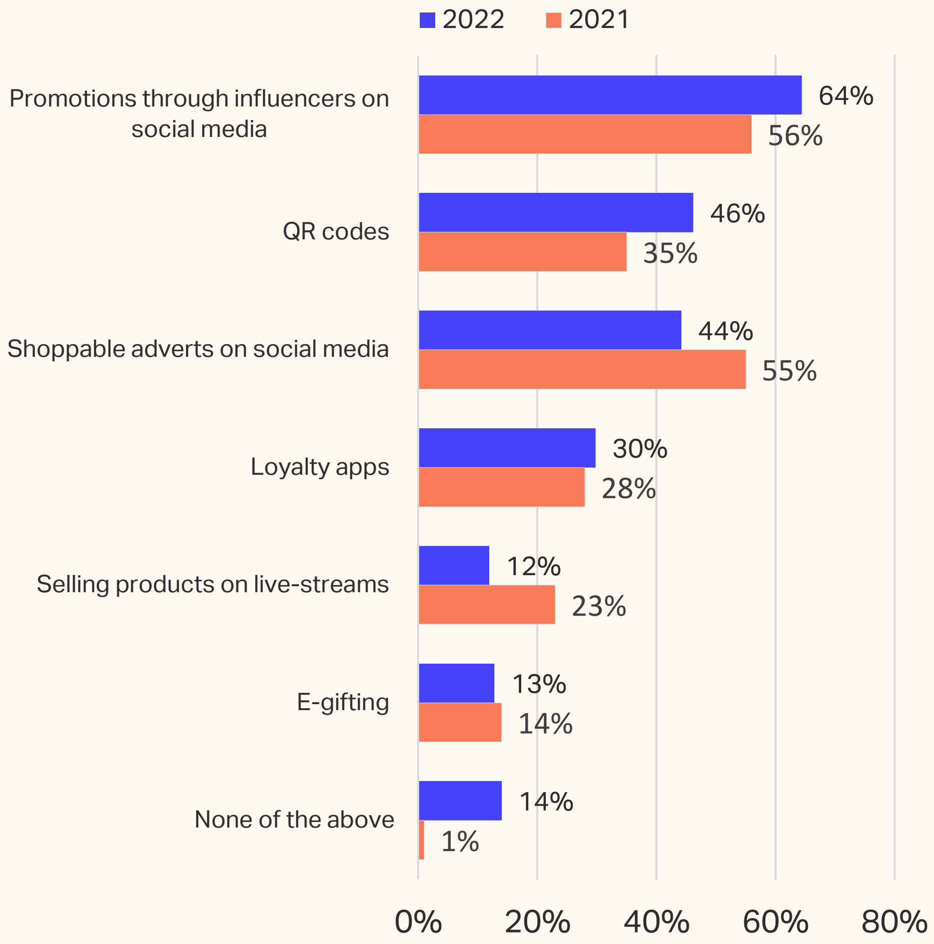
More than two-thirds of respondents (68%) agree or strongly agree that shoppable media is an exciting opportunity for their business in 2022, almost equal to the number that agreed with this statement in 2021 (70%).

That said, there has been a small decrease (8pp) in the number of those who say they have used shoppable adverts on social media in the past 12 months (44%). Meanwhile there has been an 8pp increase in those who say they have used influencers to promote goods on social media (64%).

To what extent do you agree or disagree with the following statements about digital marketing?



Which of the following activities has your brand used in the past 12 months?



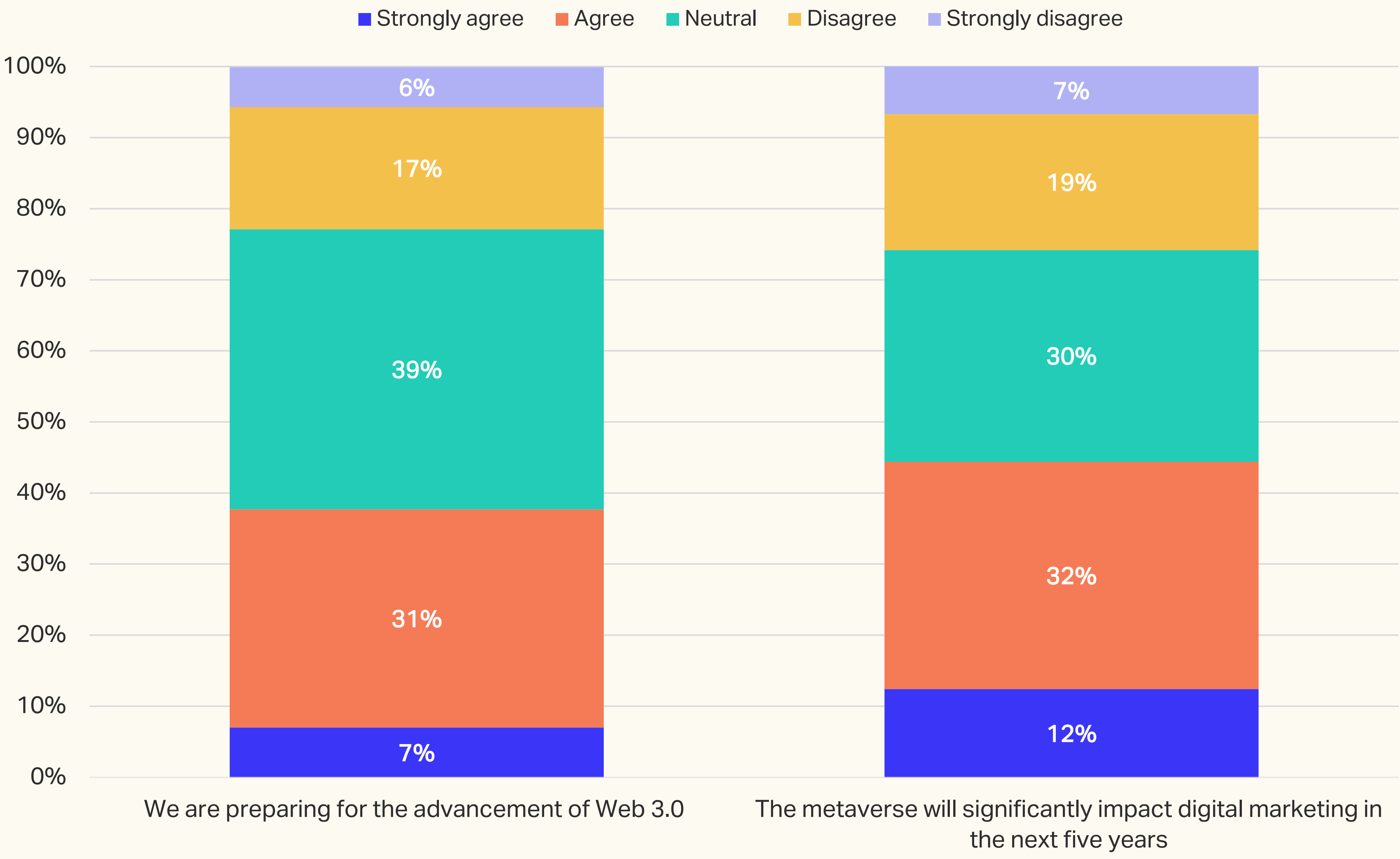
Note: Three options in this question are not displayed above: 1) 'Ordering through mobile', 2) 'mobile payments', and 3) 'mobile order tracking'. These were deemed more specific to mobile marketing as opposed to digital marketing in general.

Over a third (38%) are preparing for the advancement of Web3

In theory, Web3 technologies create new opportunities for marketing, however, no one can say exactly how decentralisation will shape the next iteration of the internet.

Coinciding with this shift is the concept of the metaverse, an evolution of the current digital world that promises to be more immersive and sensory. Nearly half (44%) expect the metaverse to significantly impact digital marketing in the next five years. In fact, some brands are already conducting experiments in the metaverse with varying degrees of success.

To what extent do you agree or disagree with the following statements?



“Right now, our priority is to educate ourselves on the metaverse so we can prepare valid strategies for each of our clients. As an agency, we have different types of clients with different needs from different industries.”

Strategic Planner, Creative Agency

“The metaverse is still at a nascent stage according to us, and we are waiting and watching to see how this evolves. We are currently exploring how our category and services will be able to leverage the metaverse.”

Director, Marketing, Financial Services

MMA Smarties, Gold, EMEA, 2021

PUMA: Alonzo's Virtual Music Tour on GTA

Agency:
HAVAS Sports & Entertainment

Advertiser:
PUMA

Market:
France

Sports brand PUMA delivered new music content to fans of Alonzo, a French rapper, and the videogame Grand Theft Auto V during lockdown.

In the context of the COVID-19 pandemic, PUMA decided to carry out an activation that brought the best real-life events closer to the French public.

Working with the French rapper and PUMA brand ambassador, Alonzo, it hosted a virtual concert set within the virtual city of Los Santos in GTA V. Audiences could enter the concert in-game or via the streaming platform, Twitch, and watch Alonzo perform a set of songs including his new EP, "Pack de 6".

Results

12.7m impressions across social media and press coverage

1m comments on the streaming platform, Twitch

70,000 viewers throughout the event

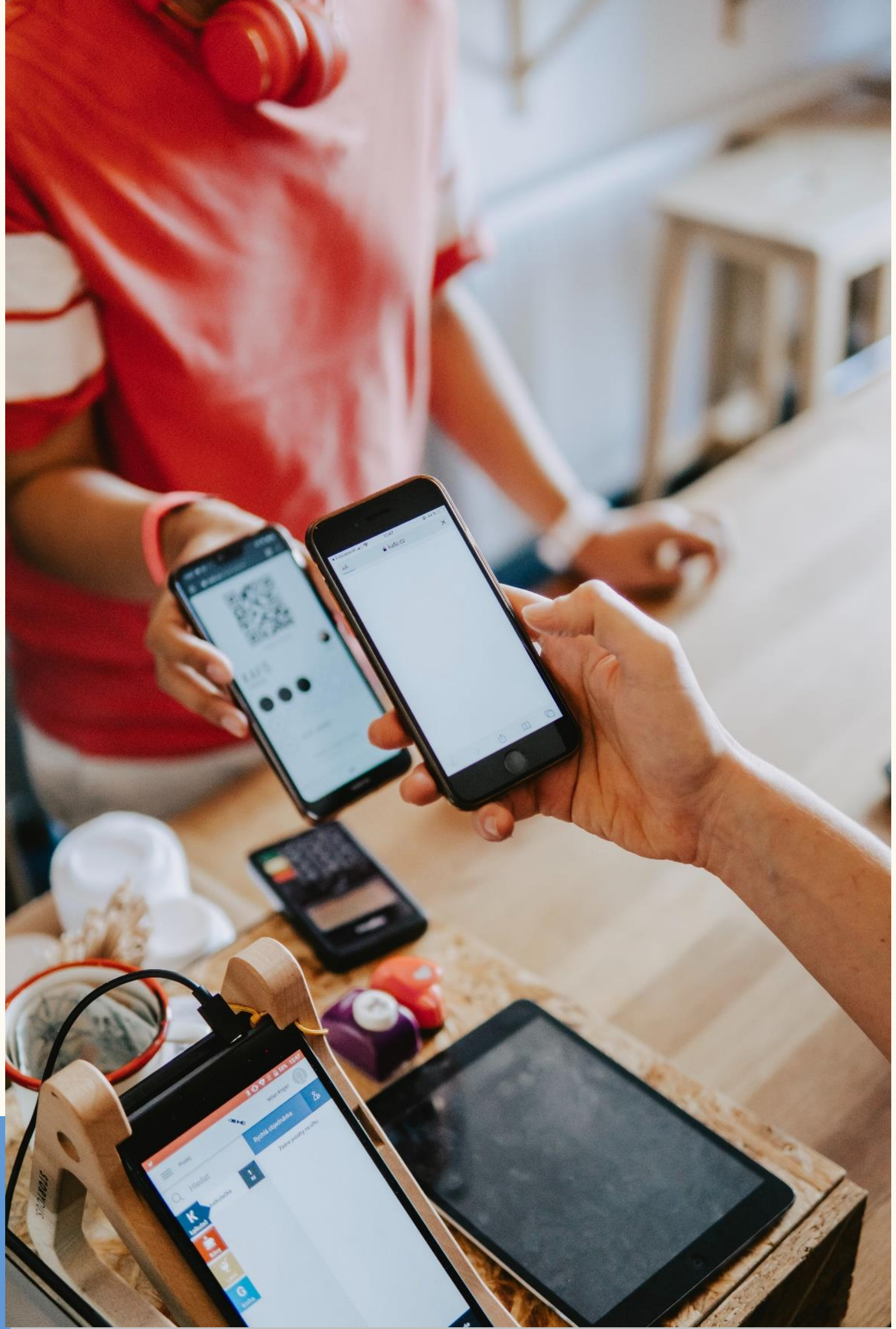
Takeaways

- Digitalizing events has been an important way to continue delivering value for fans and brands operating in times of social crisis.
- Gaming is an untapped channel for many brands and can be a canvas for highly innovative executions.

To view other case studies from the MMA Smarties click here

Chapter 4

Technology trends



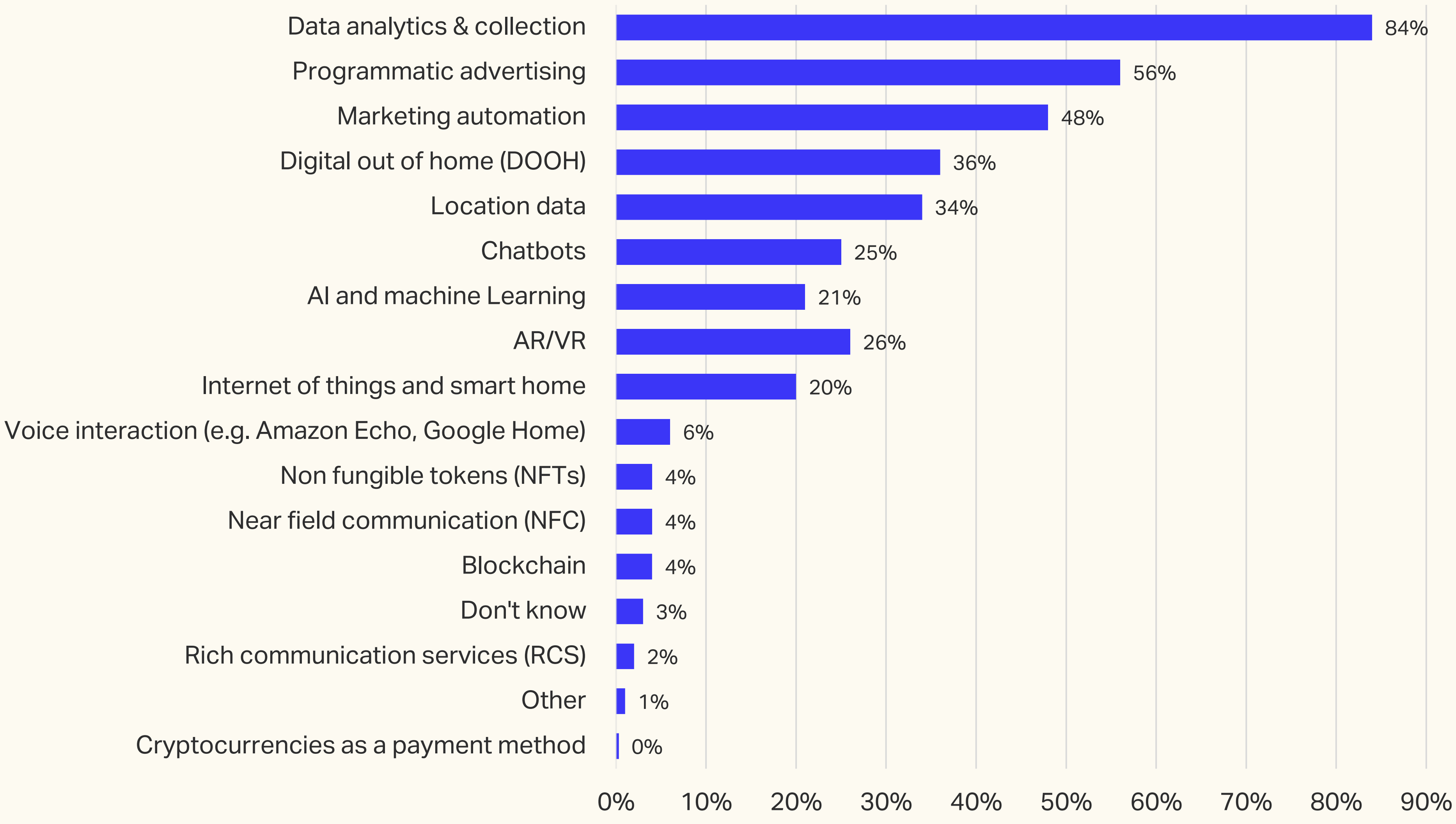
Modern marketing in EMEA 2022

Data is being used by a vast majority (84%) to enhance their marketing

Data is recognised by marketers globally as a critical element in digital transformation, enhancing effectiveness and supporting seamless omnichannel customer experiences.

Other significant technologies include programmatic advertising, selected by more than half of respondents (56%), and marketing automation, which nearly half of respondents (48%) said they were using to drive improvements in marketing.

Which of the following technologies are you / your typical clients using to drive improvements in marketing?



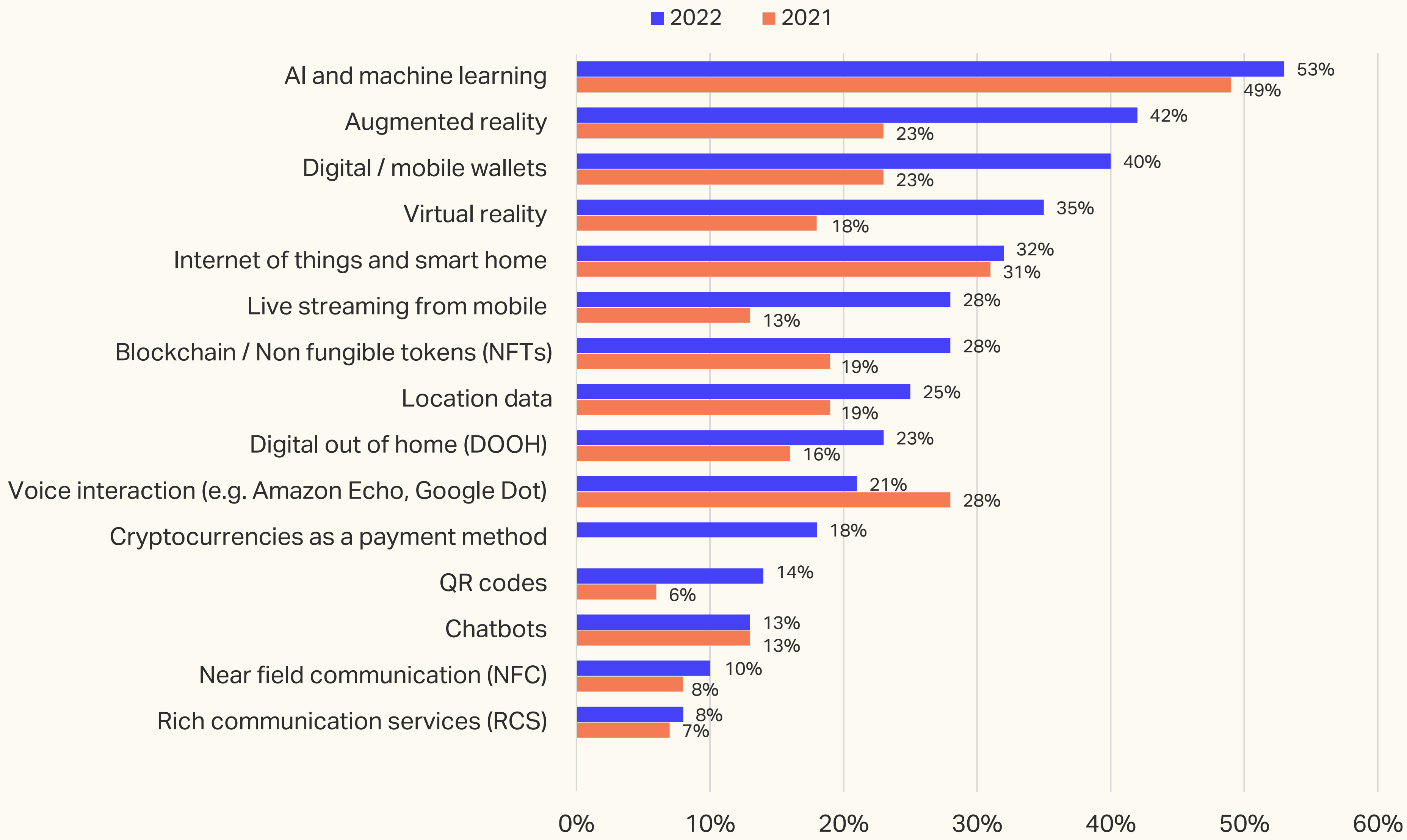
AI and machine learning will be most significant in five years

A majority (53%) believe AI and machine learning will be most significant in five years' time; consistent with results from last year's survey.

By contrast, both augmented reality (42%) and virtual reality (35%) have almost doubled in significance, quite possibly related to the burgeoning discourse around the metaverse.

Other technologies that have grown in significance include digital / mobile wallets (40%) and live streaming from mobile (28%), up 16pp and 14pp, respectively.

Which of these technologies do you expect to be most significant in five years' time?

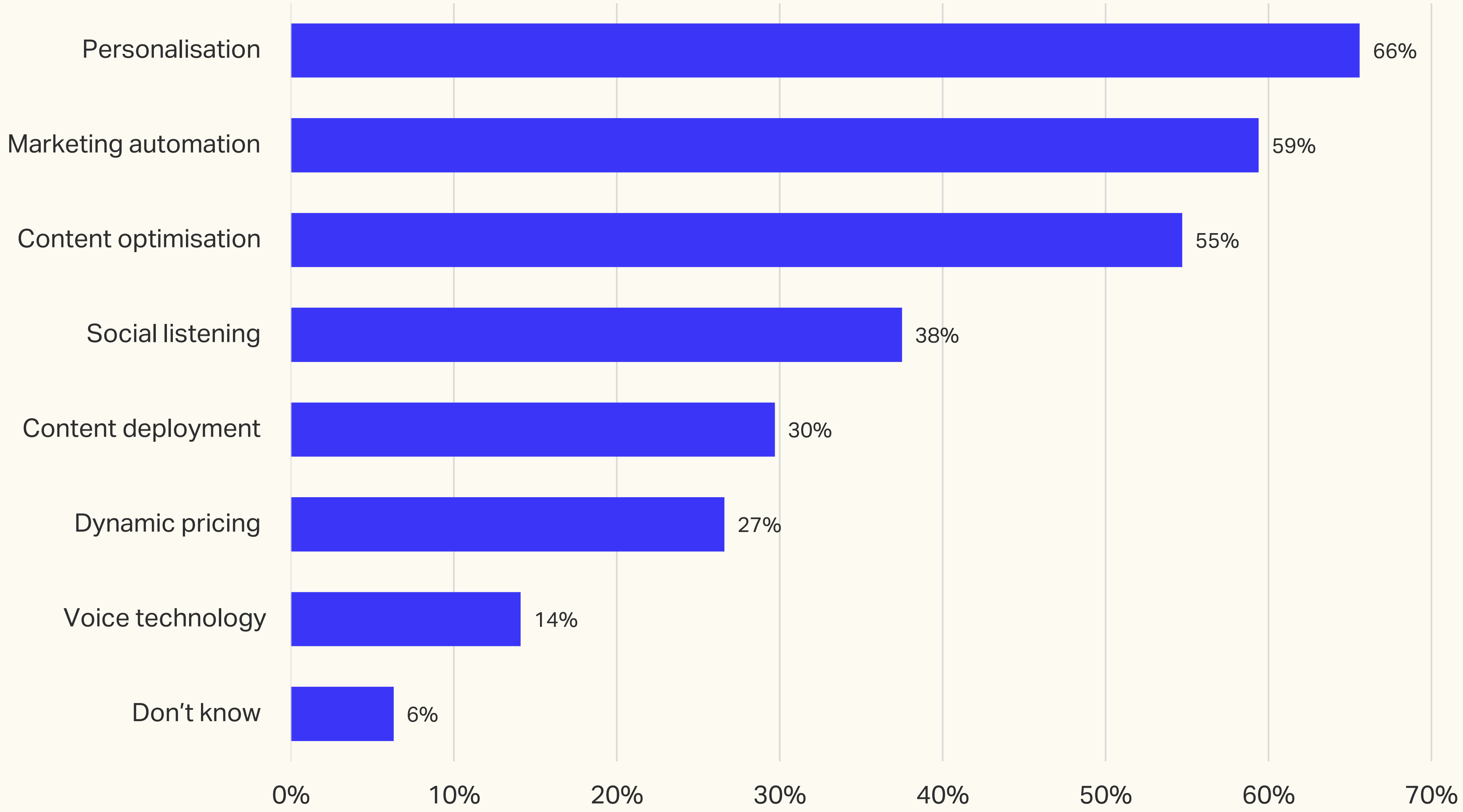


AI and machine learning drives personalisation, automation and optimisation

Two-thirds (66%) say they are implementing AI and machine learning to drive personalisation, closely followed by marketing automation (59%) and content optimisation (55%).

According to a recent survey by McKinsey, AI adoption is rising at a steady pace, with more than half of organisations (56%) reporting AI adoption in at least one function. In marketing, a growing number of cases demonstrate the power of AI in creating more personalised and engaging consumer experiences.

In what ways are you implementing AI and machine learning into your marketing strategy?



MMA Smarties, Gold, EMEA, 2021

Tadım: How to increase online sales with an "Experience Management Platform"!

Agency:
Neodigital

Advertiser:
Tadım

Market:
Turkey

Tadım, a packaged nuts and dried fruits brand, launched a campaign in Turkey with the goal of increasing its online sales by 200%.

Tadım did not have an online shop, nor did it have proper access to sales data generated by other sales' partners.

To meet its ambitious sales targets, Tadım built a new content platform to gain information about users' interests and increase the volume and quality of its first party data. The data was used to create new customer segments based on lifestyles and interests that informed product and message selection in performance marketing campaigns.

Results

342% increase in revenue on sales' partners online shopping apps

750,000 pieces of segmented data retrieved from content platform

Takeaways

- First party data can be a powerful source of insight about customers that can be used to drive more effective and personalised marketing communications.
- In the context of stricter privacy regulations and the phasing out of the third-party cookie, the value of first party data will increase for many brands.

To view other case studies from the MMA Smarties click here

Chapter 5

Modern marketing for media owners

Modern marketing in EMEA 2022

Media owners

In 2022, media owners are having to focus on a range of ways to engage audiences and monetise their platforms – through advertising, subscriptions, e-commerce and more.

This chapter builds on data from last year's survey, exploring how media owners are monetising audience data, how they are using data, and which platforms they are partnering with to share content and data.

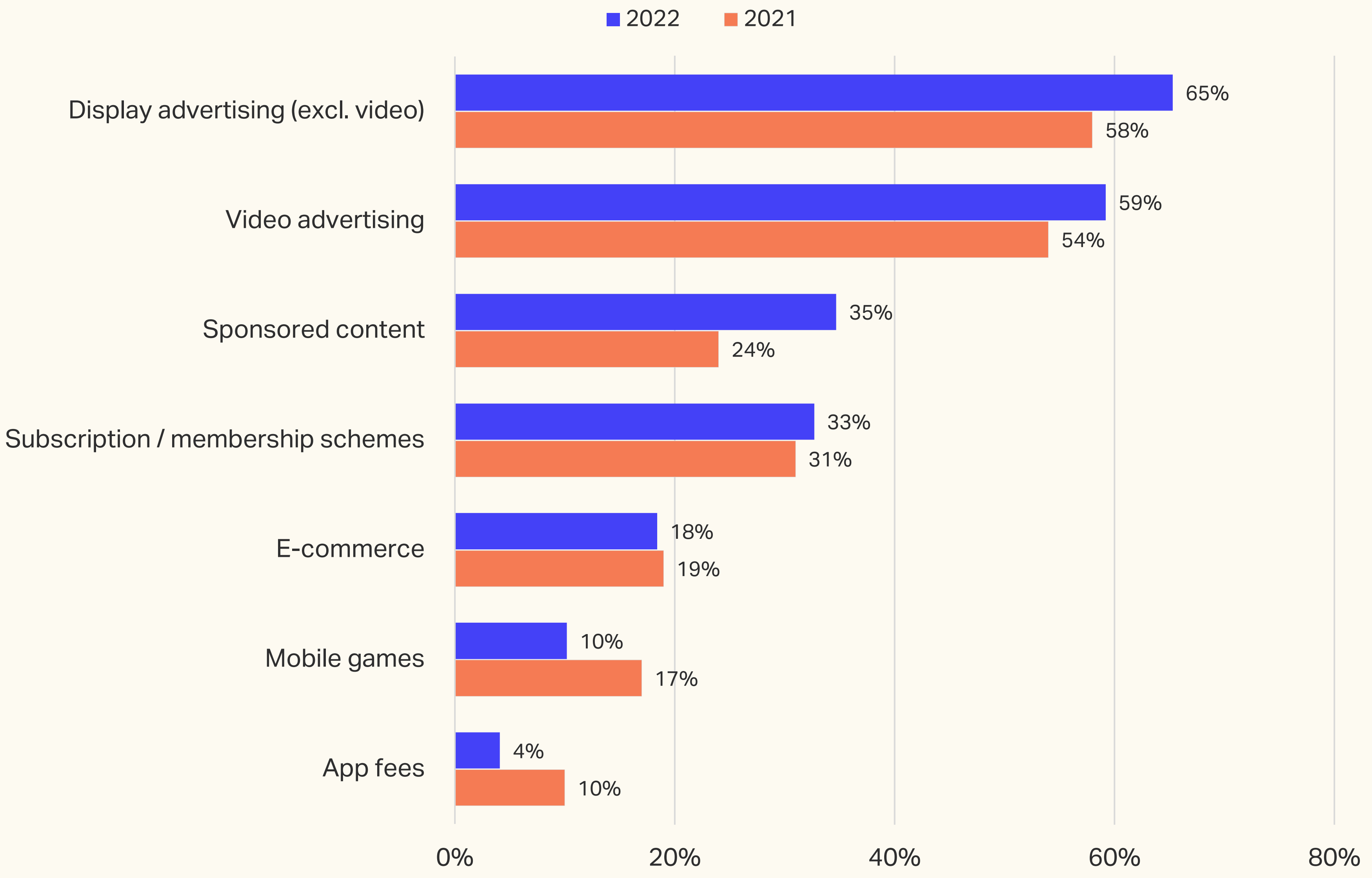
Media owners still lean on display and video to monetise audiences

As in 2021, most media owners indicate they rely on display advertising (65%) and video advertising (59%) to monetise their audiences.

There has been a slight increase (11pp) in the number of media owners using sponsored content to drive revenues (35%), while roughly a third of respondents are using subscription / membership schemes (33%); virtually the same percentage as the previous year.

Recent research by Reuters suggests subscriptions is a key focus area for publishers in 2022.

How are you currently monetising your audiences?



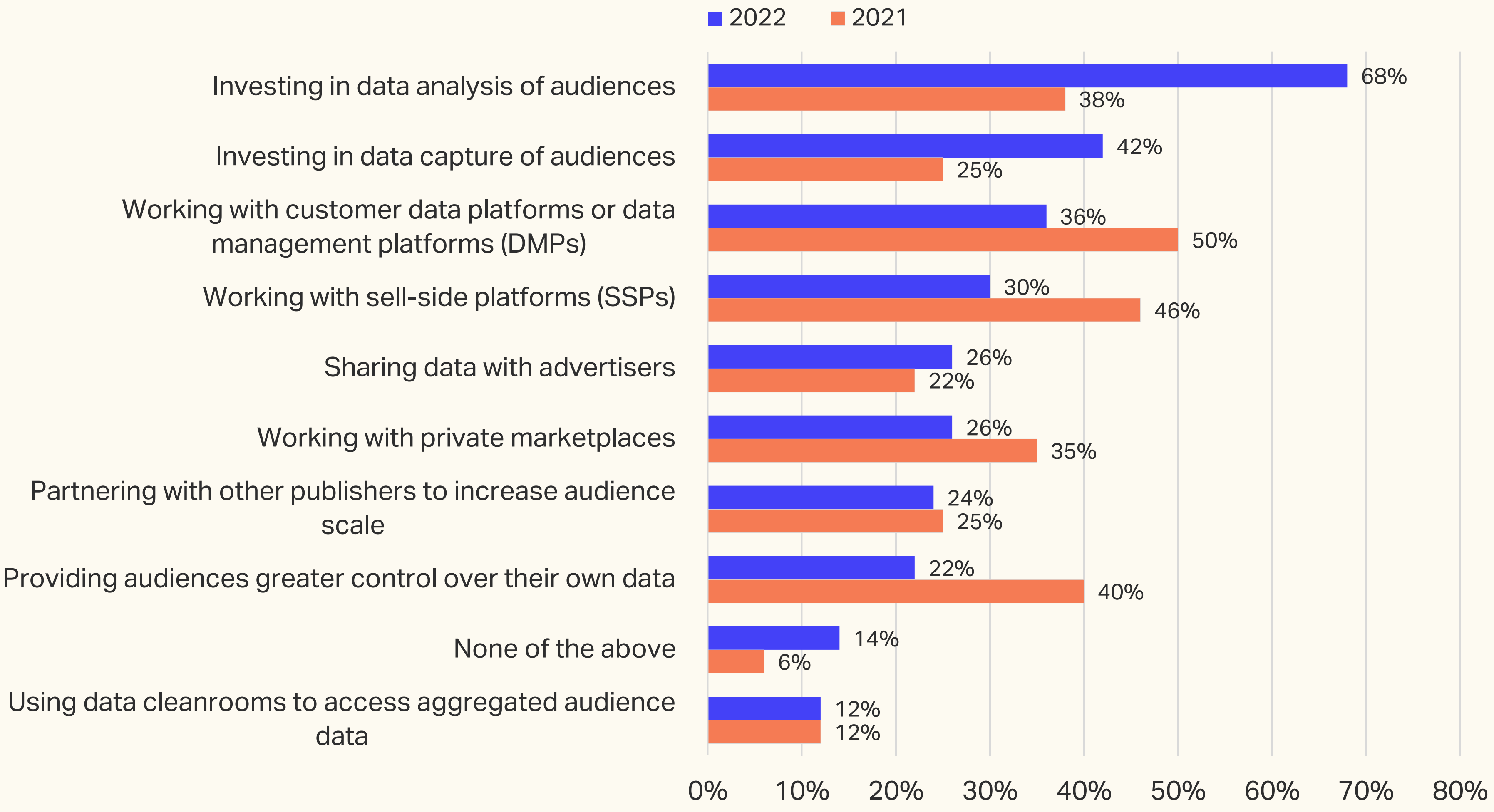
MMA WARC

Data capture and analysis are two important activities for media owners

More than two-thirds of media owners (68%) are investing in data analysis of audiences, while just over a third (42%) are investing more in data capture compared to last year.

One explanation for this uptick is the impending demise of third-party cookies, which is causing many publishers to shift their focus to building quality, first-party audience datasets, increasingly through subscription-based revenue models.

Thinking about audience data, which of the following are you currently doing?



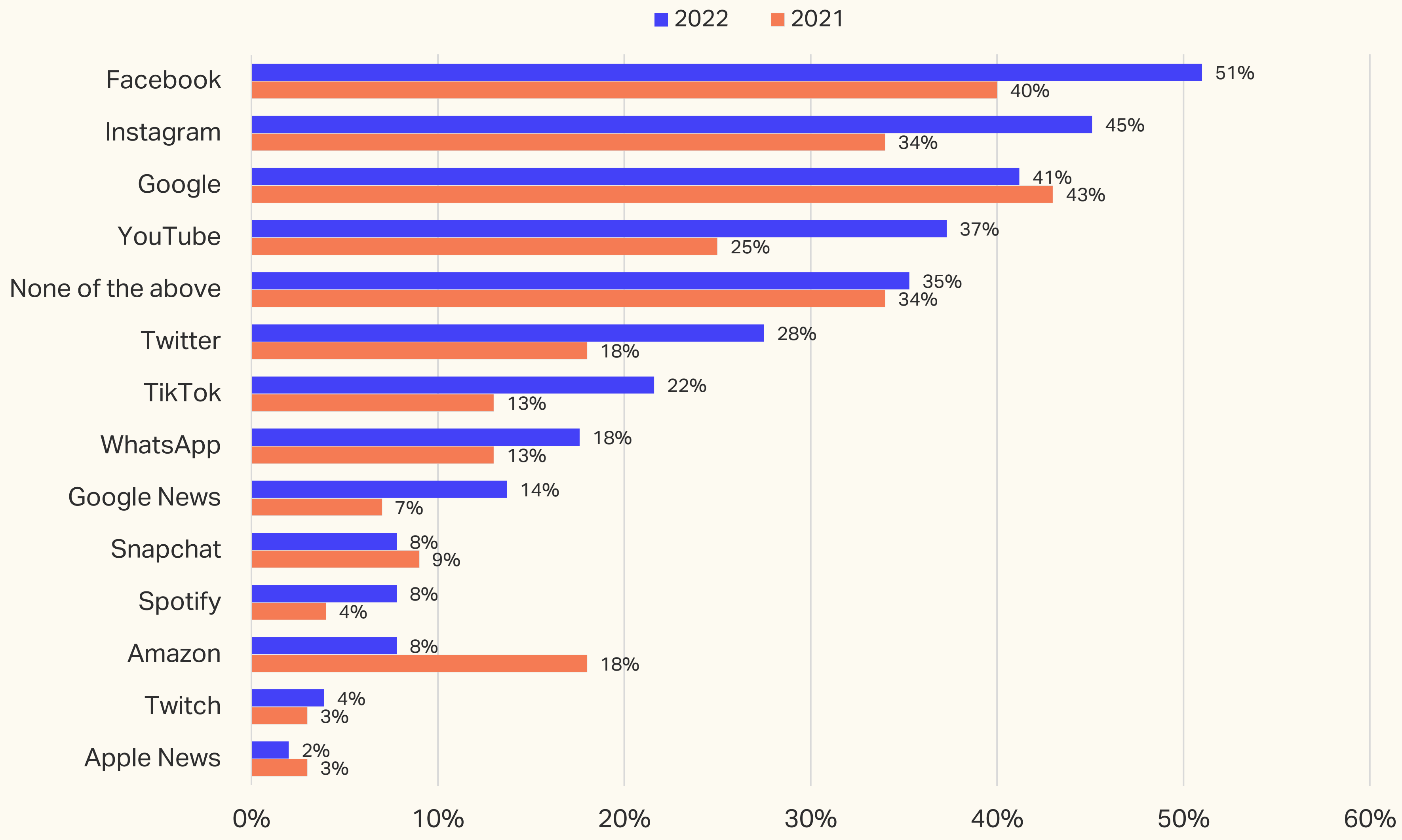
Note: In 2021, 'investing in data analysis of audiences' and 'investing in data capture of audiences' mentioned mobile audiences explicitly.

Over half of media owners have partnered or shared content with Facebook

Fifty-one percent of media owners have partnered with Facebook, closely followed by Instagram (45%) and Google (41%).

However, more than a third indicated they have not partnered with any of the listed platforms (35%); a similar proportion to last year. This might be due to privacy concerns, or speak to a desire for greater independence from the major tech platforms as publishers look to grow their own data and revenues.

With which of the following platforms have you partnered with / shared content with, if any?



Chapter 6

The future of modern marketing

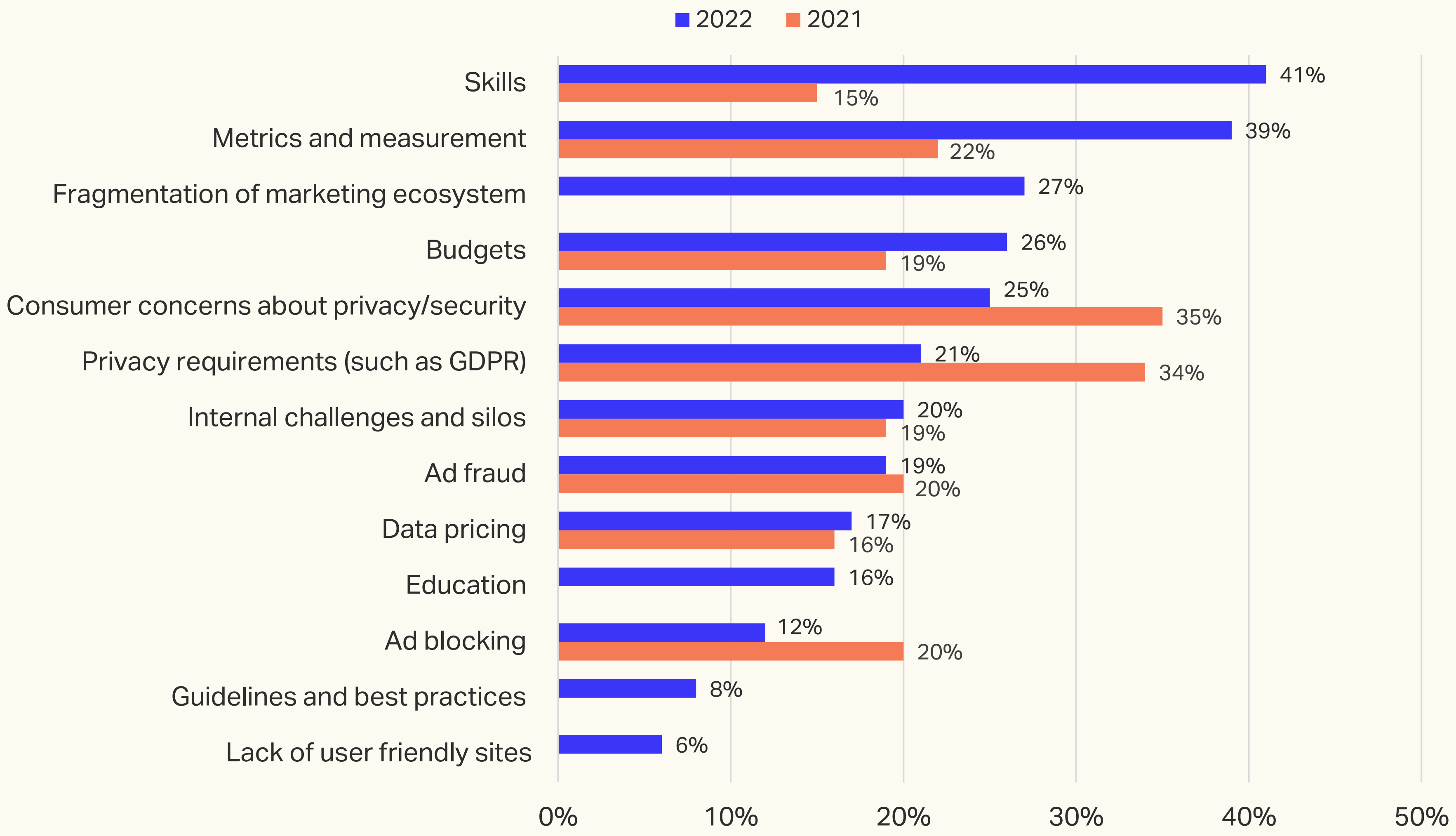
Skills and measurement are two key barriers to growth in EMEA

Much has been written about the so-called skills gap in digital marketing, with nearly half of respondents across all regions highlighting this as a barrier.

Measurement is another clear area of concern and highlighted as a gap elsewhere in this report.

Around a quarter of respondents cite fragmentation of the marketing ecosystem as a barrier (27%), very closely followed by budgets (26%) and consumer concerns about privacy / security (25%), which was particularly acute amongst respondents from Europe.

In your opinion, what are the biggest barriers to the growth of digital marketing and advertising in your region?



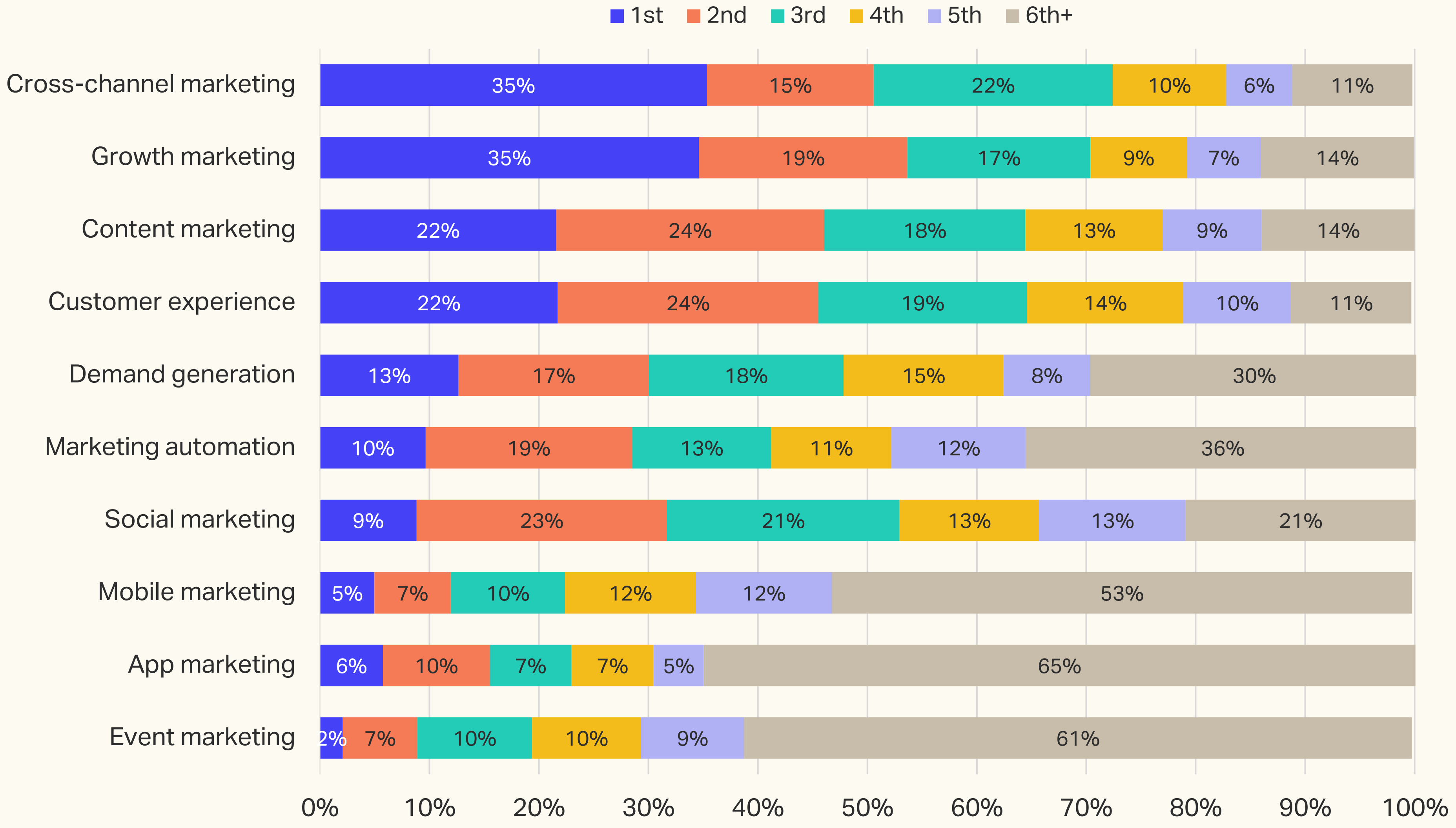
Note: Two options in this question are not displayed above: 1) 'Content creation for mobile', and 2) 'Poor quality apps' which were deemed more specific to mobile marketing as opposed to digital marketing in general.
The wording of this question changed between 2021 and 2022. In 2021, respondents were asked the following question: 'In your opinion, what are the biggest barriers to the growth of mobile marketing and advertising in your region?'

Cross-channel marketing is a top priority for the coming 12 months

Half of respondents (50%) rank cross-channel marketing as their first or second priority over the next year. In a fragmented media landscape, the need to find complementary combinations of channels and platforms becomes paramount. There is also a wealth of evidence that shows synergies between channels can boost campaign effectiveness.

Other priorities over the next 12 months include growth marketing, content marketing and paying closer attention to the customer experience.

Which of the following areas of marketing will you focus on over the next 12 months?



About

This study

This report is based on an online survey of 718 marketing professionals, carried out between May and June of 2022.

The survey link was disseminated to WARC and MMA lists, and respondents received a complimentary copy of the report.

Respondents were based in EMEA, and were a mix of client-side, agency, media owner and technology vendor marketers.

WARC

Warc.com is an online service offering advertising best practice, evidence and insights from the world's leading brands. WARC helps clients grow their businesses by using proven approaches to maximise advertising effectiveness.

WARC's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

MMA

The MMA (Modern Marketing Association) is the world's leading global non-profit trade association composed of more than 800 member companies from nearly fifty countries around the world.

Our mission is to accelerate the transformation and innovation of modern marketing, driving business growth with closer and stronger consumer engagement.

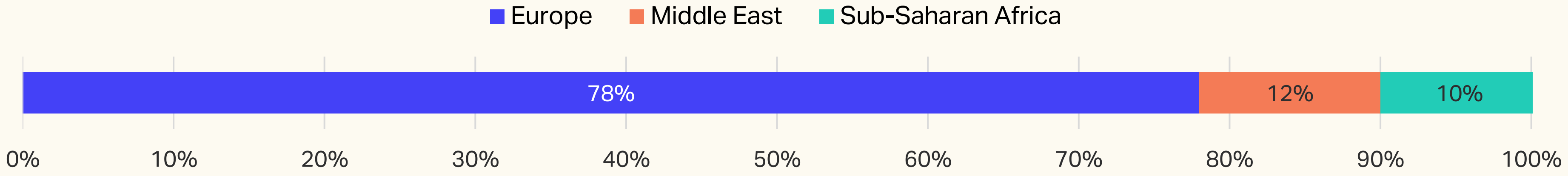
Respondent demographics

This survey was conducted in EMEA and received 718 responses in total. The majority of respondents were from Europe (78%), with the remainder from the Middle East (12%) or Sub-Saharan Africa (10%).

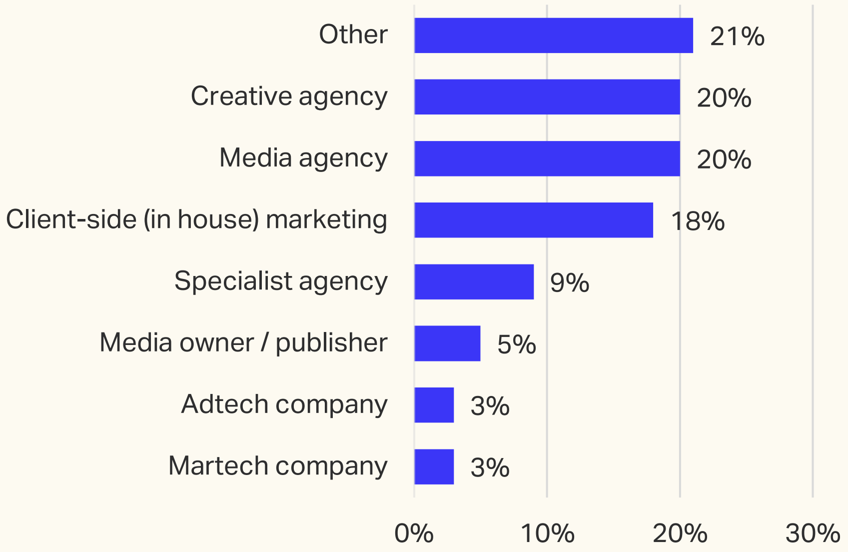
Nearly half (49%) worked for creative, media or specialist agencies, while around a fifth (18%) worked client-side (in house) marketing. In terms of seniority level, close to a third of respondents (29%) operated at Director / Senior Director level. This was closely followed by respondents at the Manager level (26%) and those at the Board, C-Suite, and General Management level (25%).

In which region are you primarily based? / What type of company do you work for? / What is your seniority level?

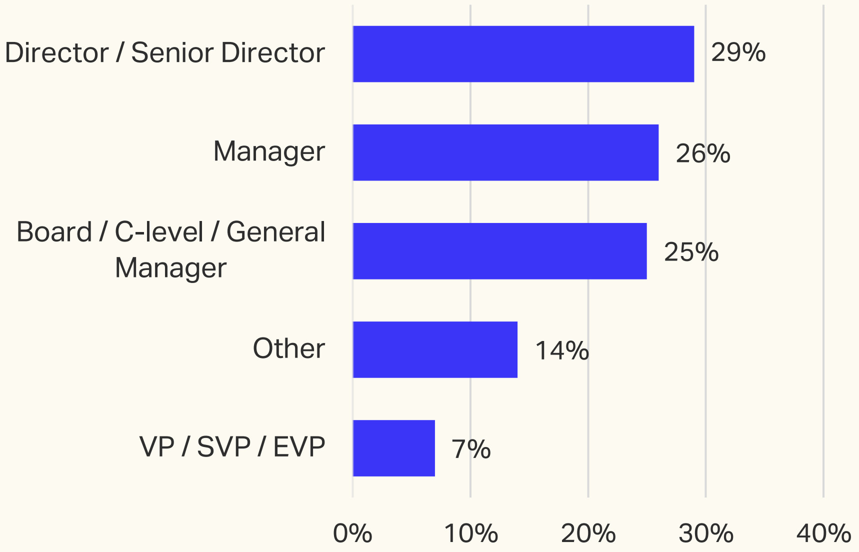
Region



Company



Seniority Level



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