



Martech: 2019 and beyond

Insights into the global martech market

September 2018



#1 Executive summary

#2 Martech budgets and market sizing

#3 Barriers to further investment in martech

#4 Martech tool use

#5 A spotlight on Europe

#6 Martech capabilities

#7 Skills

#8 A spotlight on APAC

#9 Martech and the customer experience

#10 The future of martech

#11 Key takeaways

#12 Contact us

#1 Executive summary

Foreword

The martech sector has now reached a tipping point for brands and agencies worldwide. In this, our second year of market sizing, we have been able to understand the scale of the opportunity before us – a potential \$100 billion global market and growing fast.

Brands in North American and UK have increased martech budgets by 44% in the last year, meaning this is now a market worth \$52 billion and we expect further growth in the year ahead. Driving this growth is data, and more specifically, the realisation from marketers that expertise in data leads to actionable insights which drives a greater ROI and provides more control.

A technology we're watching very closely is voice. In many households, Amazon's Alexa has evolved from being a source of music and news to become more like a member of the family. Along with being great fun for quizzes and questions – there's a clear trends towards VAL (voice activated lifestyle). Imagine no more hunting for the remote control, no more keystrokes to order up a nice Thai meal – the implications for marketers here are immense.

The elephant in the room is creativity. Savvy marketers will know all too well that it's not all about data or ROI. A global storm is brewing around social media – with the pressures on social media networks to clean up their act, marketers will need to ensure they can rationalise their growing spend through this channel.

Damian Ryan

Partner

Moore Stephens LLP

Methodology

This is the second annual survey on marketing technology conducted by WARC in association with Moore Stephens.

Based on an online survey of more than 800 brands and agencies based in the Americas, Europe and APAC, the survey aimed to assess the current and future states of the marketing industry, building on the first survey fielded in just the North American and UK markets in 2017.

The survey was fielded to WARC and Moore Stephens contacts in June and July 2018, and asked questions around brands' current and future plans for martech tool use, budgets and planned investment, and barriers to growth. Agencies answered with their typical clients in mind. Where data in this report is compared to the 2017 results, only North America and UK data is used.

#2 Martech budgets and market sizing

On average, brands in North America and the UK are spending 23% of their budgets on martech, compared to 16% last year. That's a 44% increase in martech budgets, representing an industry with significant influence over the shape of marketing today.

Figure 1 shows this data split by the proportion of spend on in-house and outsourced marketing technology. The results suggest that in the last year, businesses in North America have caught up with the UK in terms of spending on martech, and the trend towards bringing tools and functions in-house is also reflected.

Building on last year's inaugural market sizing, we have produced a newly updated figure for 2018, with the results revealing an industry still very much growing. This growth is forecast to continue as the research also finds that brands are planning for increased investment and onboarding of tools over the next 12 months.

Last year we produced an estimate of the combined market size of martech in North America and UK using adspend as a proxy for total marketing budget, and budget data provided by survey respondents. The 2017 figure was \$34.3 billion.

This year, the same methodology produces a market sizing of \$52 billion for 2018 (assuming our sample is representative). If the martech spend in the UK and North America is typical of key markets globally, the results point to a conceivable global market size for martech of \$99.9 billion.

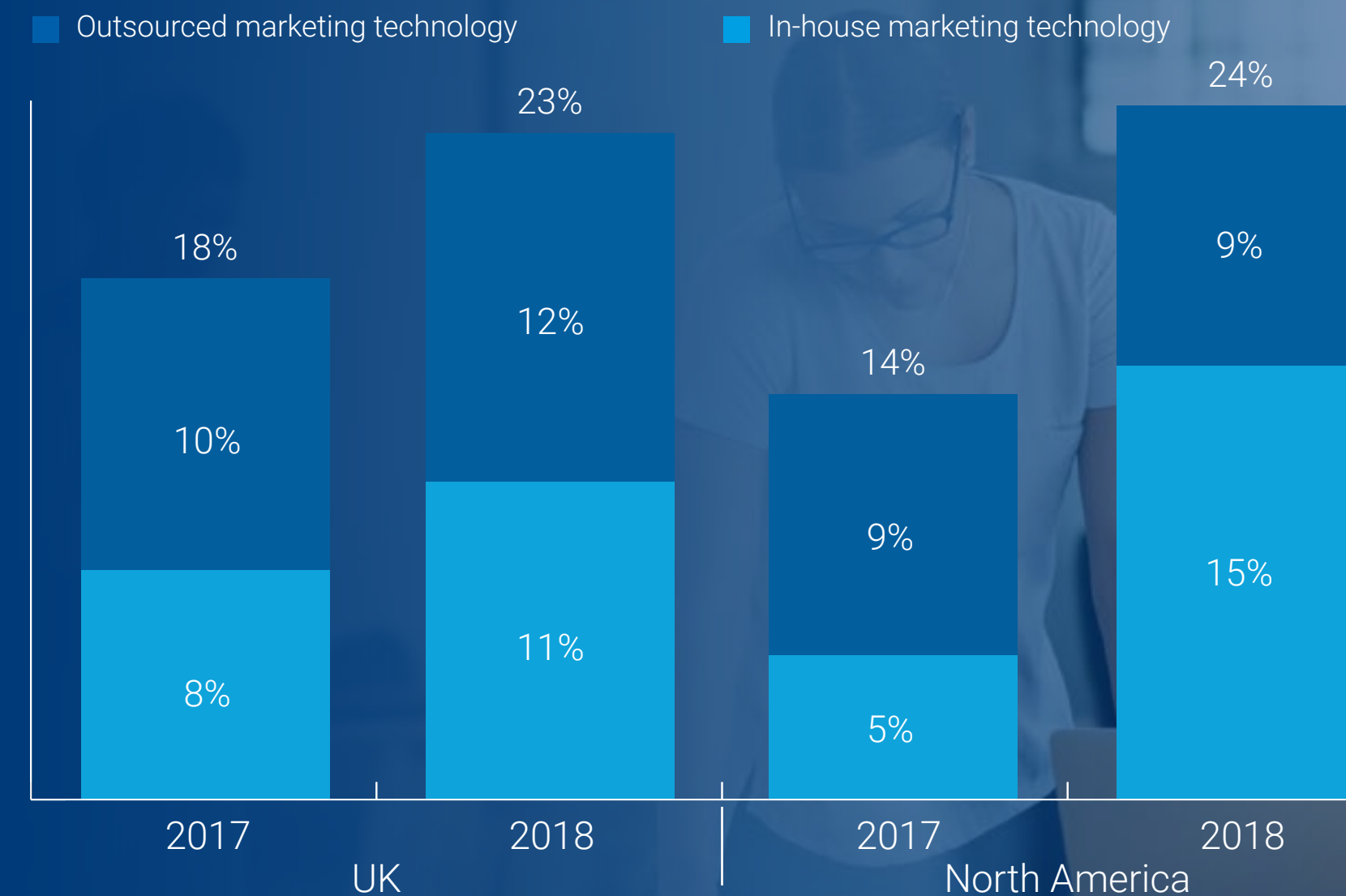


Figure 1: What percentage of your overall marketing budget do you typically spend on marketing technology*?

* The question included the following description: 'By marketing technology, we mean a tool that you use to assist with marketing workflows; customer acquisition and retention; brand and communications; content and social; or data and analytics'.

#2

Brands, now convinced of the need for excellence in customer experiences, are keen to keep the management of these experiences close. Coupled with an element of mistrust in agencies, this has driven a growing trend towards bringing disciplines and their respective marketing technologies in-house. A 2016 *report* from MarketingProfs found that 62% of North American marketers expected to manage slightly more or significantly more martech in-house over the following year, and in late 2017, the ANA *announced* that in the case of programmatic tech, 35% had already taken back the reins from their agencies and brought it in-house.

This trend is reflected in the results of the survey. Last year, in North America, 44% of marketing technology budgets were spent in-house, rising to 63% this year, the highest proportion of any region. Similarly, in the UK, last year 44% of martech budgets were spent on in-house tech, versus 47% this year.

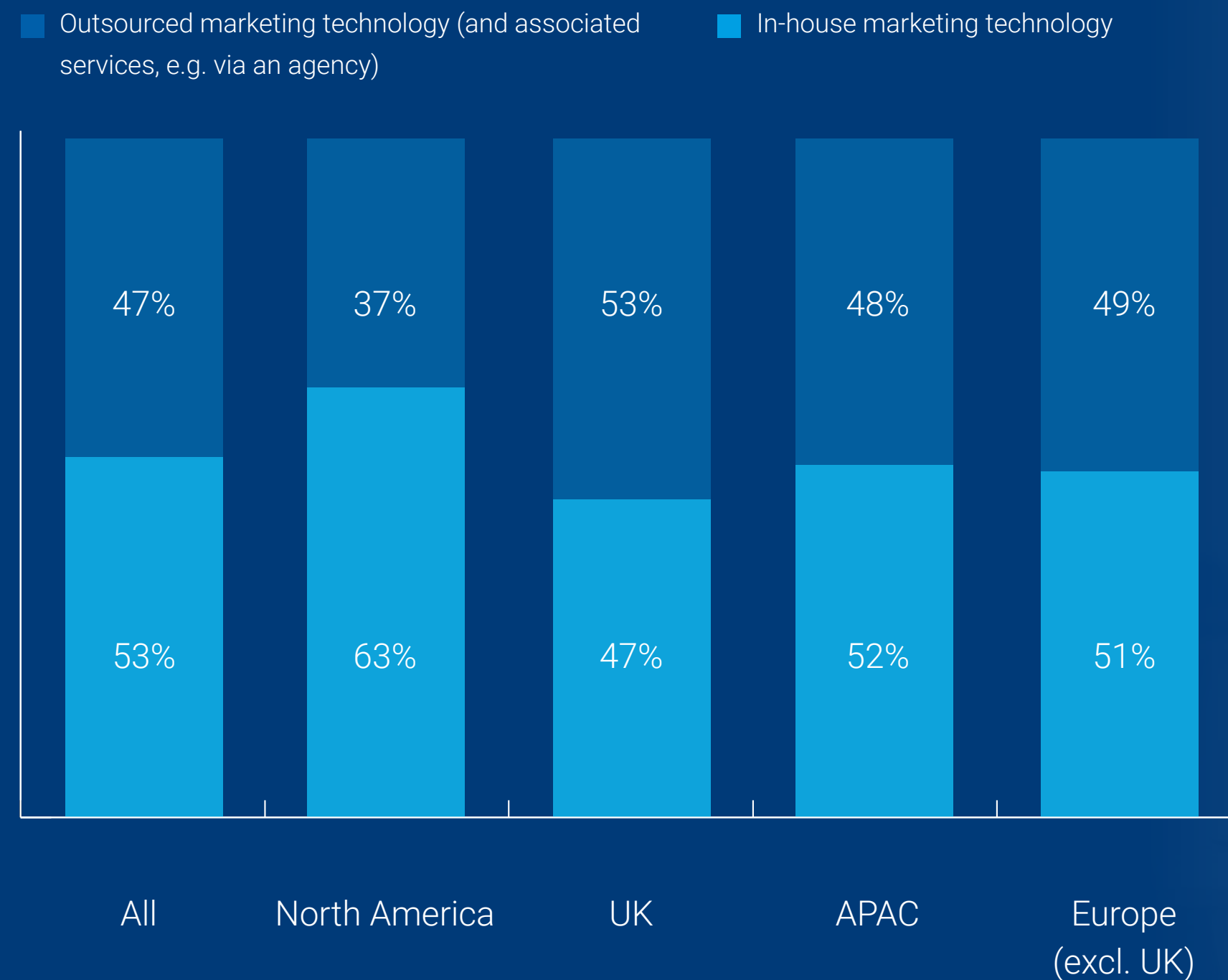


Figure 2: How do you expect your marketing technology budget to change over the next 12 months?

“Agencies stand to lose out as more brands seek to in-house martech expertise, build data science teams and reduce their reliance on the agency structure to support them in the future. In the Northern American market, 63% of martech budgets were spent in-house.”

However, it's important to note that where brands have enlisted agency support there is evidence to show more tools being deployed due to higher budgets or greater confidence in the combined, collaborative approach. The opportunity for agencies is to win the trust of brands by demonstrating superior and agile use of data. It's not to demonstrate their media buying power.”

Damian Ryan, Moore Stephens

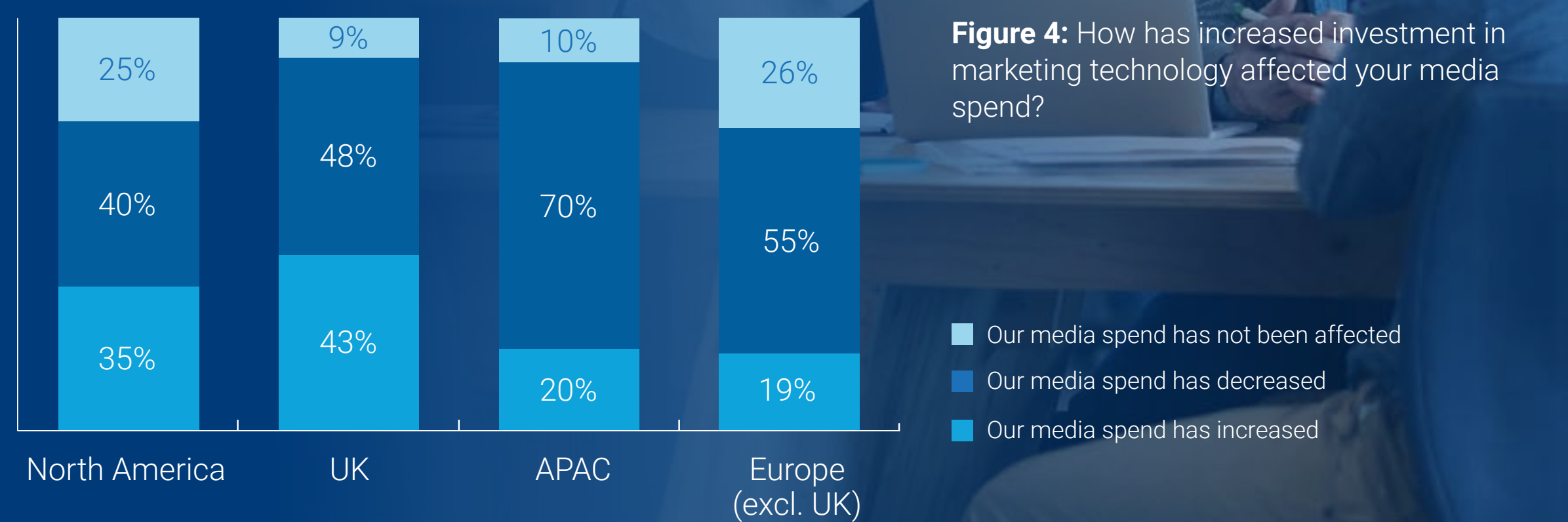
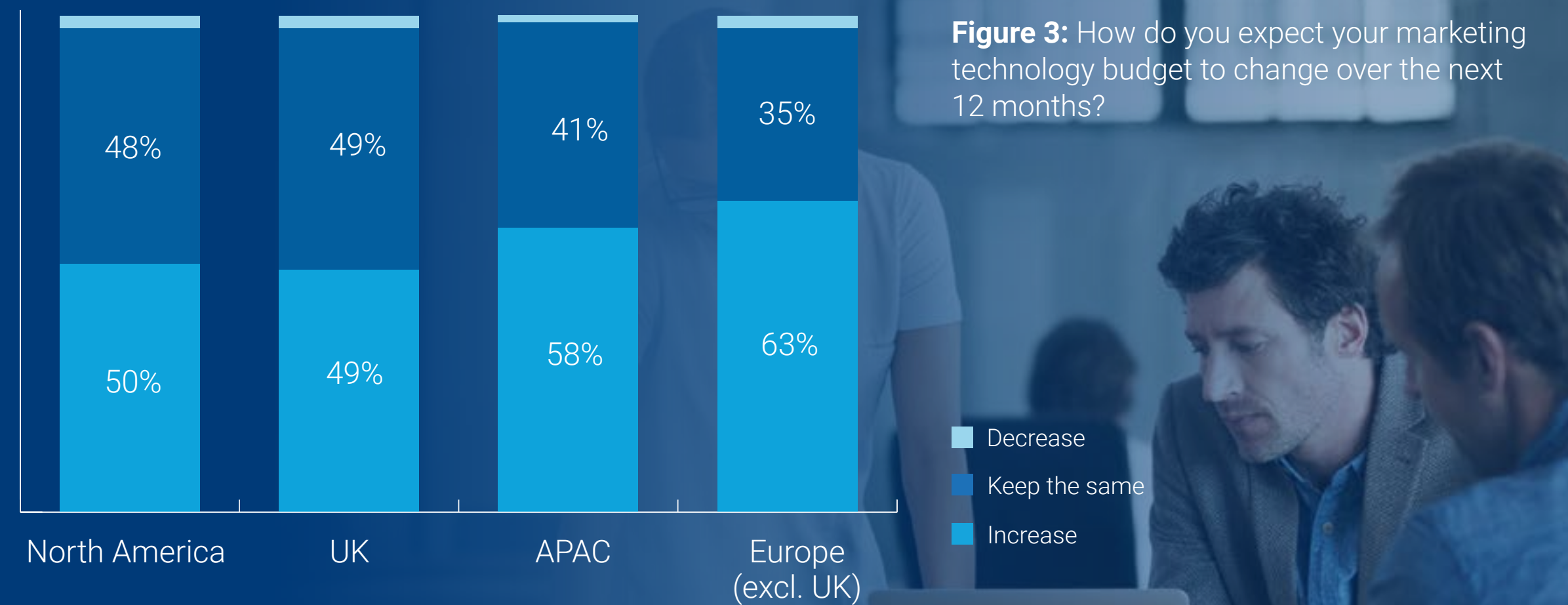
#2

Budgets are largely expected to increase over the next 12 months. This is particularly the case in Europe (excluding the UK), where 63% said they expected their budgets to increase, however respondents in the UK are just as likely to keep budgets the same as to increase them (49%). Globally, for those expecting an increase in budgets, an average increase of 13% is predicted over the next year, with almost 20% of those in North America (18%) and the UK (17%) expecting increases of more than 25% in their martech budgets over the next year.

This will continue the injection of investment into the martech industry as brands become increasingly educated and skilled in the use of technology to improve their marketing and experiences, and the gradual automation of processes continues. A recent [survey](#) from CIO found that 42% of marketers say their department currently has budget specifically for investment in technology products and services.

The risk for marketers, and a contributing factor to the high proportion who expect budgets to stay the same, is that the continued addition of tech in the quest for efficiencies and automation can lead to a tech stack so complex that time spent on tool management actually results in decreased efficiency.

This increased investment on martech is impacting the media spend of brands variably across regions. In the UK, 43% feel that spend has increased as a result of increased investment in technology, compared to only 19% in the rest of Europe who feel the same. In fact, the results indicate that increased martech spend could actually be increasing efficiencies, helping marketers understand where their budget is best being spent, as across all regions, respondents were most likely to see the impact of tech as a decrease in media spend.



#3 Barriers to further investment in martech

Figures 5 and 6 show just the UK and North America results so they can be compared to last year's survey. As with the majority of investment decisions, the main barrier to further investment in martech remains budget, and the proportion selecting the option has increased from 37% to 43% this year. Investment in new technology cannot continue indefinitely for the vast majority of businesses, particularly as every addition has the potential to compound integration issues and add to their training burden. Having gone through somewhat of a peak over the past couple of years, the proportion that are reaching the limits of their ability to invest further is increasing.

Lack of understanding of the technology again comes second to budget as one of the main barriers to martech investment. Of concern is the slight increase in the proportion of marketers selecting this barrier, indicating that the continuing complexity of the martech landscape is creating ongoing issues for technology selection and utilisation.

Both unconnected data / poor data quality, and measurement and metrics have increased in proportion this year. Each addition of technology into a marketing stack both requires and produces data, and the potential for data overload is high. As the martech market has grown, the specificity of tools available has increased, which has had a knock on effect on the need for clean, detailed and specific customer data to power them and ensure their effectiveness.

Brand respondents



Figure 5: What do you see as the main barriers to marketing technology investment and use in your company?

#3

Agencies see the complexity of the technology available as the biggest barrier to their clients investing more in martech, over budget constraints in second. Though still the most significant barrier, it has seen a drop since last year, as has company culture, both over 10 percentage points. This could indicate that the use of marketing technology is becoming business as usual for brands, so internal barriers are falling and understanding increasing.

The biggest increase this year is in inadequate technology integration; a common issue for businesses as they try to keep pace with the rate of martech innovation while also going through the often laborious process of integrating new platforms into already-complex stacks.

Agency respondents

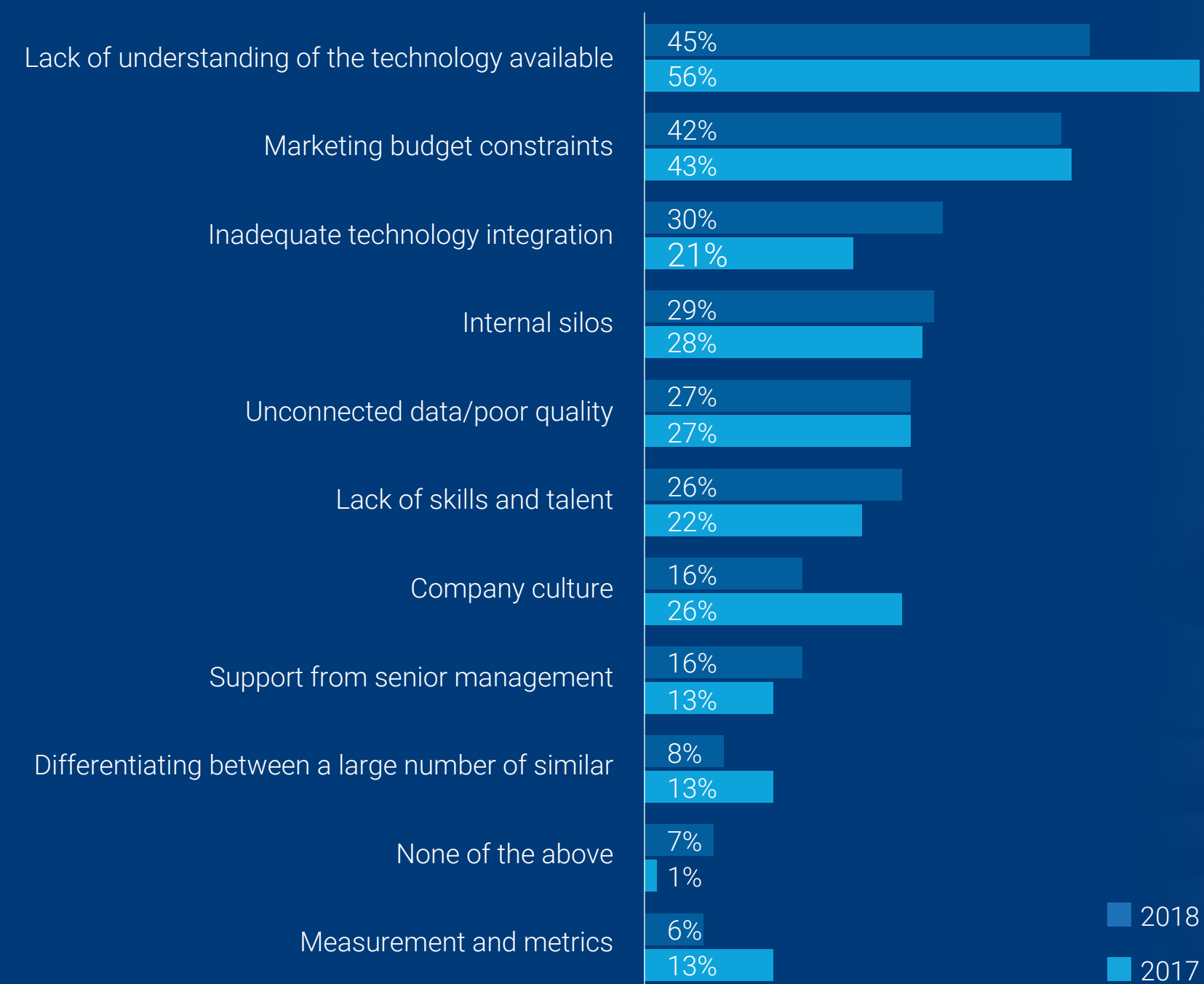


Figure 6: What do you see as the main barriers to marketing technology investment and use in your company?

What does this mean for...

Brands

There is an expectation that martech will increasingly be brought in-house over the next year. At the same time, investment is increasing, leading to a higher number of technologies, driving the need for internal skills for onboarding, integration, analysis and insights. Brands will need to prioritise these skills internally to ensure that tech investment, and increased control over this tech, is effective.

Agencies

Agencies need to be aware of the trend towards brands moving tech in-house as they look to take tighter control over their digital spending. Ensuring agencies can provide a consultative role if needed, working towards partnerships with brands that are transparent with clear objectives, will be key to their success in a time of disruption of the agency – brand relationship.

Technology vendors

Vendors now have two distinct customer sets – agencies and direct to brands – that will require distinct sales journeys and account handling. The movement of services in-house may also mean they, like agencies, lose some of their managed services clients and have to adapt to a more facilitative role, and white-label their technology.

Media owners

For media owners to stay relevant they must be able to feed relevant and meaningful data to brands – they must be aligned. This is a lot easier for digital media owners than their traditional counterparts.

#4 Martech tool use

Globally, martech is most likely to be used for email marketing. As one of the most established marketing disciplines, email and the automation thereof is one of the best-understood practices, and is currently being used by 79% of marketers alongside a marketing technology tool. Email is closely followed by social media in terms of martech use, for which 77% use a tool. For many, social media strategies have grown up around the use of martech, and as a result cause fewer issues in terms of integration and process change.

Most planned for martech use, interestingly, is SEO; an established marketing discipline but one which continues to change as algorithms develop, content types diversify and bots get smarter to enable them to read the ever growing mountain of internet content.

Using just UK and North American data for trending reveals that, compared to last year, respondents are using, on average, martech tools for a greater number of disciplines, with all but two disciplines selected by a higher proportion of respondents this year (**Figure 8**). The biggest rise was in the use of martech for analytics, measurement and insights, selected by 75% – a 19% point rise on 2017.

Brand respondents



Figure 7: In which of the following marketing disciplines do you currently or plan to use a marketing technology tool?

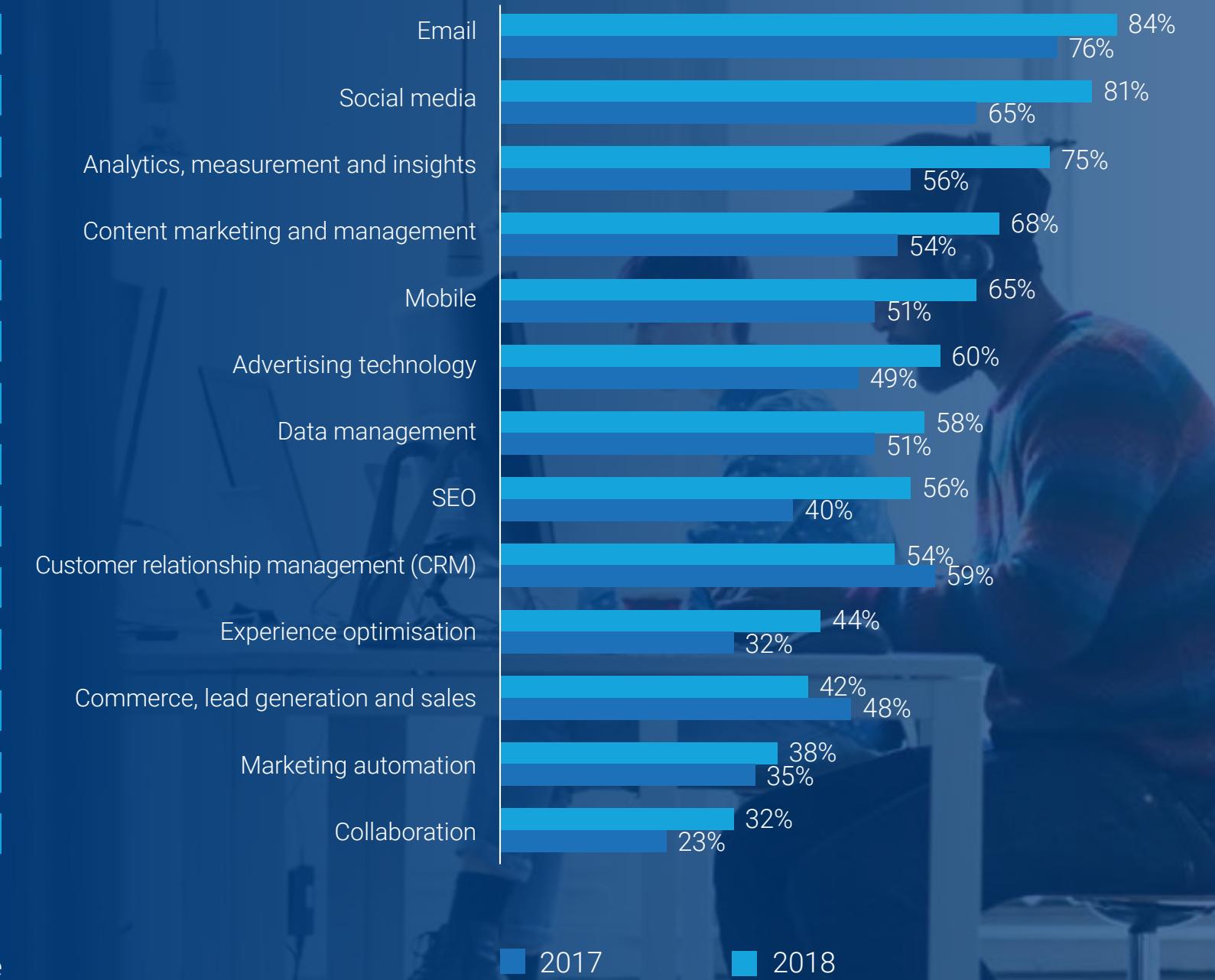


Figure 8: In which of the following marketing disciplines do you currently use a marketing technology tool?

#4

Agency respondents

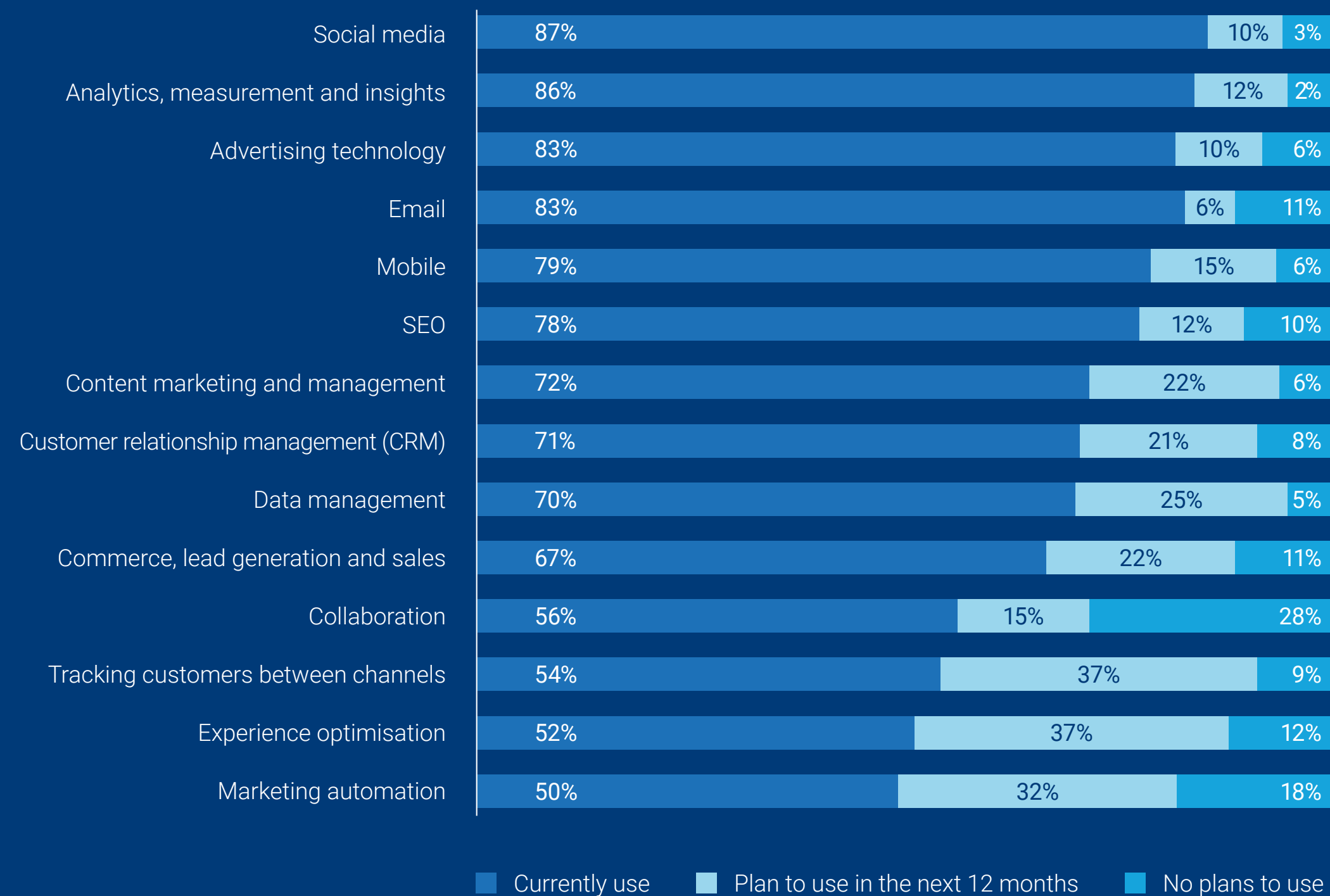


Figure 9: In which of the following marketing disciplines do you manage marketing technology tools on behalf of your clients?

What does this mean for...

Brands

Respondents are using a higher number of tools than last year. This requires not only additional skills internally but, importantly, a clear strategy and objectives over their use. Martech investment requires company-wide buy-in and support, with a roadmap of integration, implementation and outcomes, to ensure its return on investment.

Agencies

Though increased martech usage indicates increased automation of processes and services, the opportunity for agencies lies in partnering with brands as they integrate new platforms into their martech stacks. For the tech they manage on behalf of clients, agencies need to focus on transparency, providing brands with added value in terms of expertise and return on investment. In a time of brands wanting to take control over their technology, this added value must be overt.

Technology vendors

With budgets for martech continuing to increase, now is still a time of growth for technology vendors who can match their product to the needs of a brand. At the same time, intense competition in the martech space means that vendors must find a way to stand out, through a unique selling point (USP), scalable technology for a range of business sizes and excellent customer service, to enable them to take a slice of the investment coming into the industry. Acquisition activity will continue as enterprise-level vendors look to add capabilities to their stacks.

Media owners

Martech is increasing the measurability of the huge range of media channels and formats available. For media owners, innovation is also enabling them to be creative with content types, increasing the scope of monetization possible and in turn their offering to advertisers. With increased measurability of campaigns, in addition to increased scrutiny over ad placement, comes a greater need for media owners to have strict controls over where ads and content are appearing.

#5 A spotlight on Europe (excl. UK)

Marketers in Europe are among the least confident in their use of martech than any other region. Almost half (46%) feel that they don't have all the tools they need and are the least likely to have consolidated marketing stacks – the largest proportion (45%) use specialist independent vendors for all their needs.

Company culture appears to be more of a barrier to martech investment in Europe than elsewhere, but support for future investment is clearly present; Europe (excl. UK) has the highest proportion of marketers expecting martech budget increases over the next year (63%), and marketing budget constraints are a barrier for just over a quarter (27%), compared to 38% across other regions.

Marketers in Europe are using martech tools in the same disciplines as the rest of the world, but without exception, a lower proportion are using tools in each. Interestingly, brands in Europe are most likely to use specialist independent providers for all of their martech needs (45%), a distinct difference from the rest of the world.

Globally, creativity and data analytics were selected as the top skills priorities when hiring into the marketing function. In Europe, neither of these were in the top two; brand strategy, turning data into actionable insights, and CX were all selected by 40% of respondents, but brand strategy was top with 17% selecting it as their number one choice.

More than 40% of marketers in Europe are using personalisation to optimise the customer experience. Significantly lower proportions are using measurement, analytics and CRM technologies in Europe than the rest of the world.

Investment in martech



Barriers to investment in martech

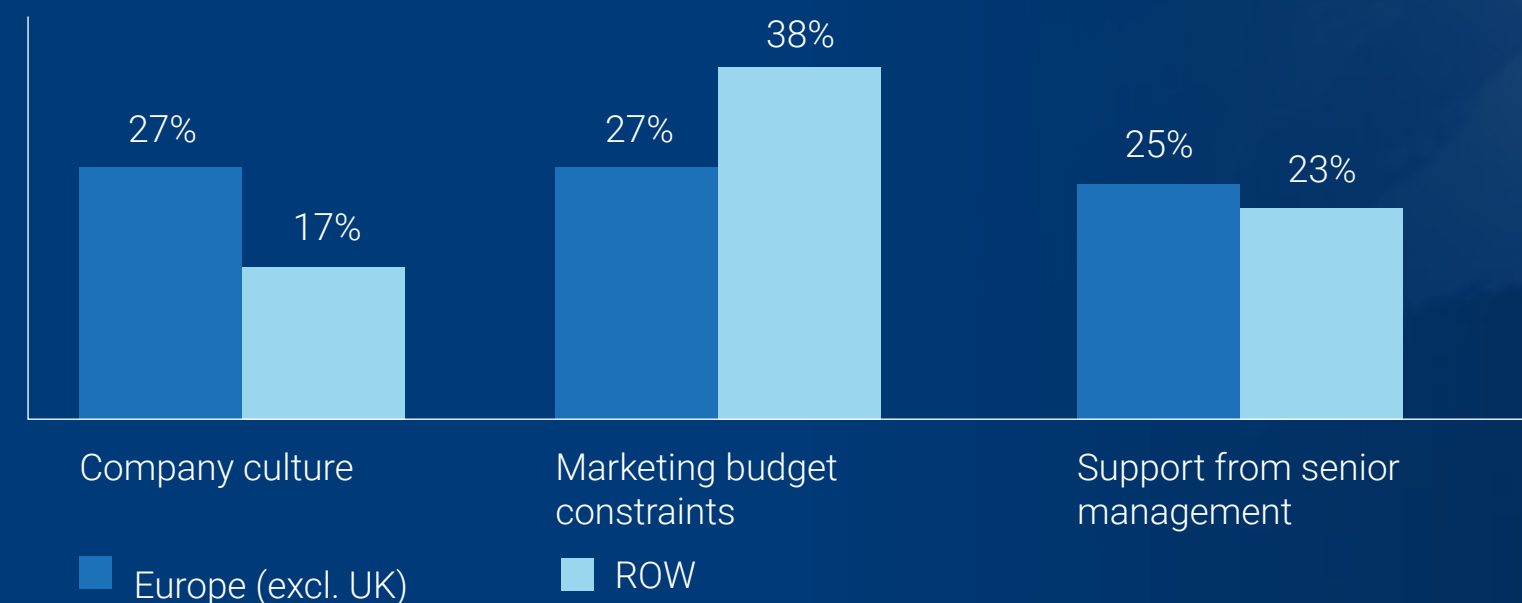


Figure 11: What do you see as the main barriers to marketing technology investment and use in your company?

Martech tools used

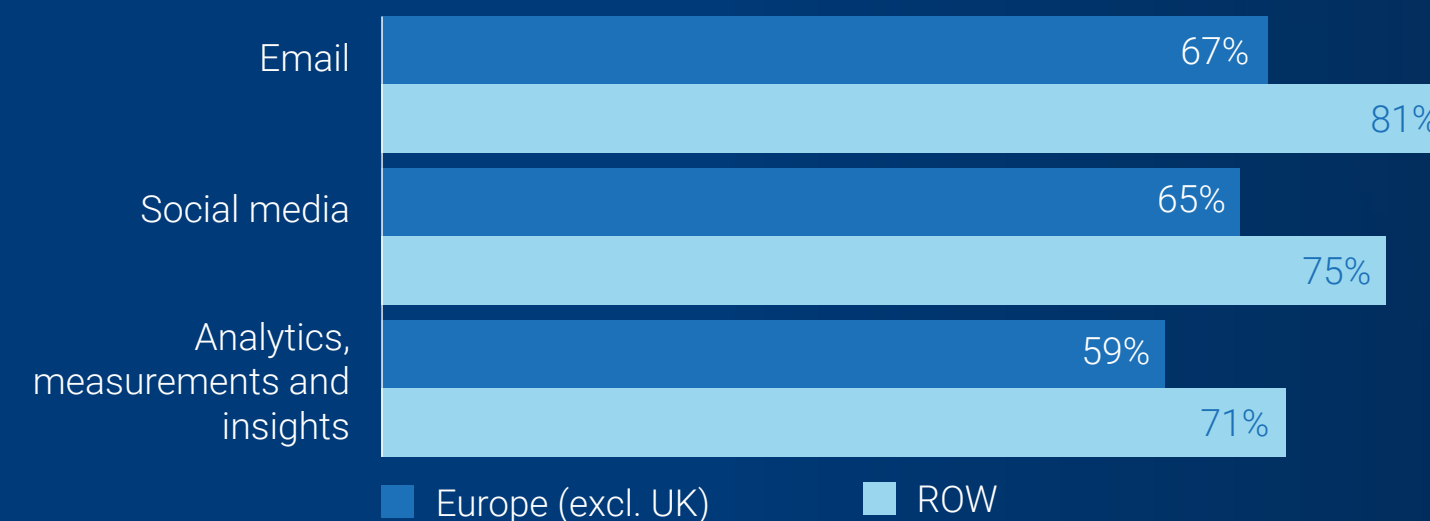


Figure 13: In which of the following marketing disciplines do you currently use a marketing technology tool?

Martech capabilities

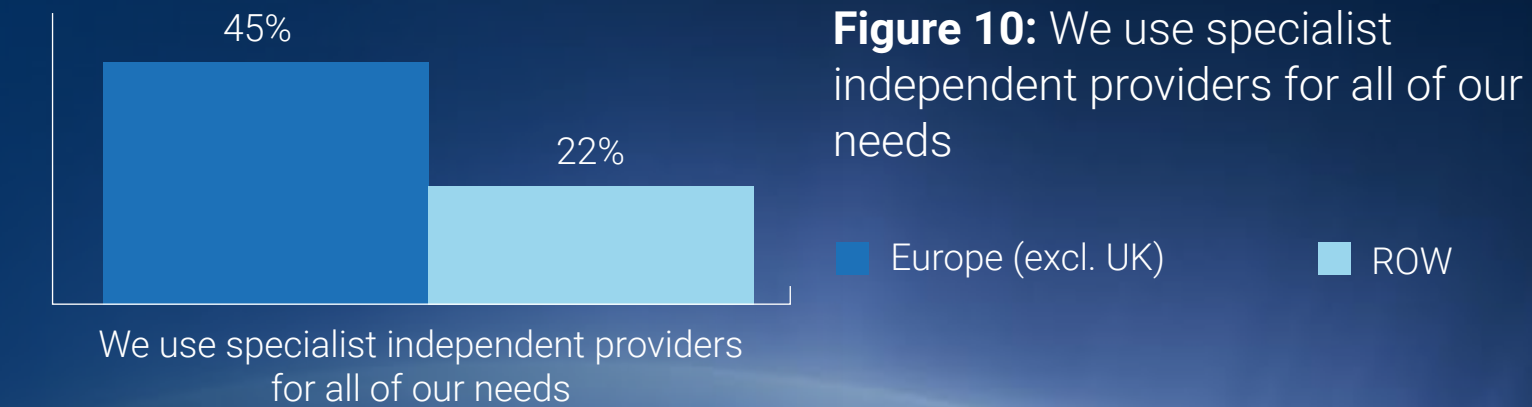


Figure 10: We use specialist independent providers for all of our needs

Skills

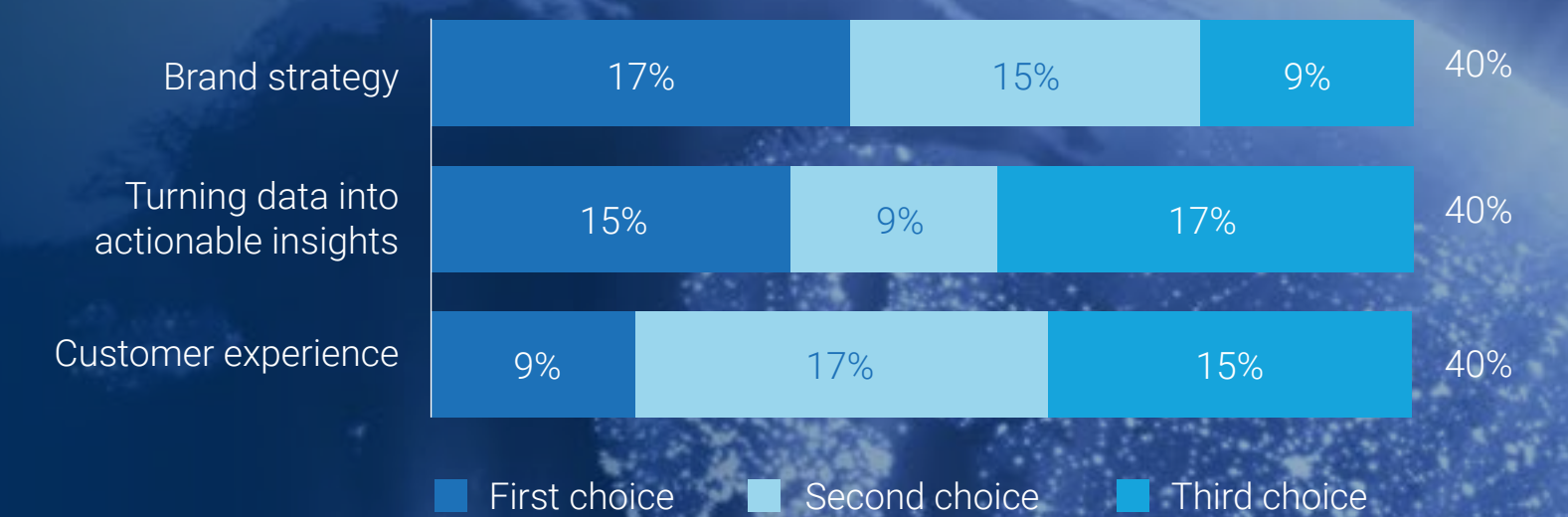


Figure 12: Thinking about the marketing technology capabilities within your company, what best describes your capabilities?

Customer experience

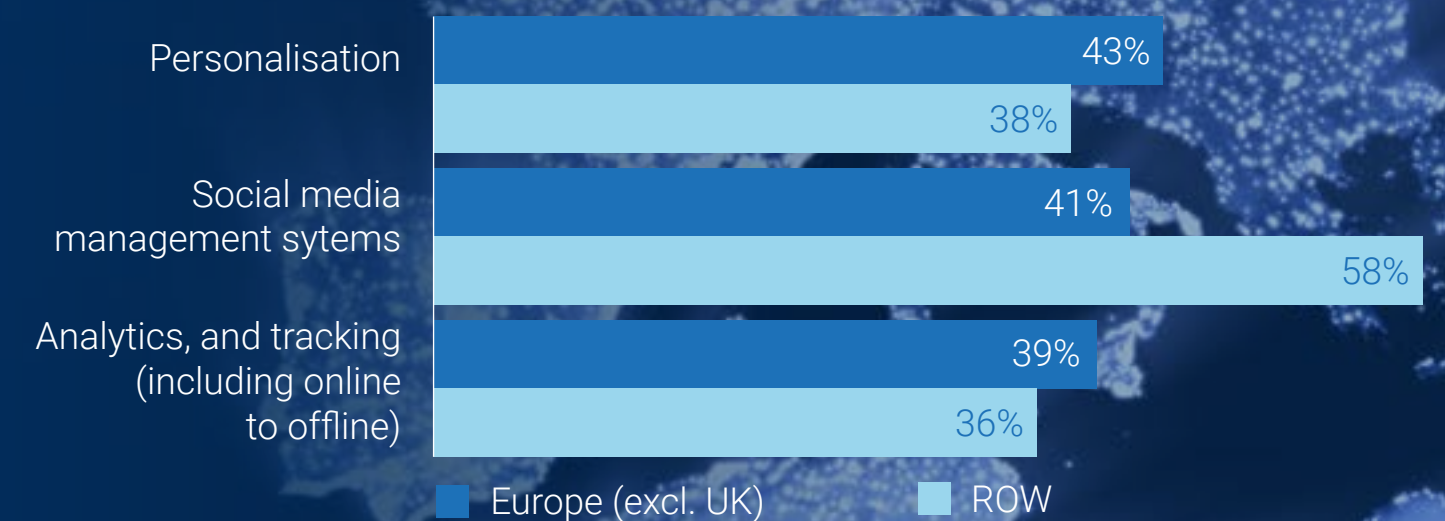


Figure 14: Which of the following marketing technologies are you using to optimise the customer experience?

#5

40% of marketers currently use internet of things (IoT) and connected device technologies in their marketing strategies, with artificial intelligence (AI) and bots (35%) the technologies most marketers plan to use in the next 12 months.

Perhaps in light of GDPR, technologies that are reliant on personal data seem to rank highly on the list of technology marketers have no plans to use within marketing strategies – most notably biometrics (53%) and facial recognition (55%).

What's interesting to note is that whilst automation ranks highly on the brand list of exciting opportunities (22%), it ranks at just 9% for agencies – perhaps further demonstrating the gap between brands and agencies in understanding and utilising martech to its full potential.

However, for both brands and agencies, the importance of tracking customers between devices, channels and off- to online is the most exciting opportunity they see technology providing a solution for over the next three years (22%).

On the agency side, being able to integrate and consolidate customer data into a single customer view (18%) is seen as a key way for agencies to deliver more value to brands – and utilise as a point of differentiation.

The future of martech in Europe

Figure 15: Are you using or planning to use any of the following emerging technologies in your marketing strategy?

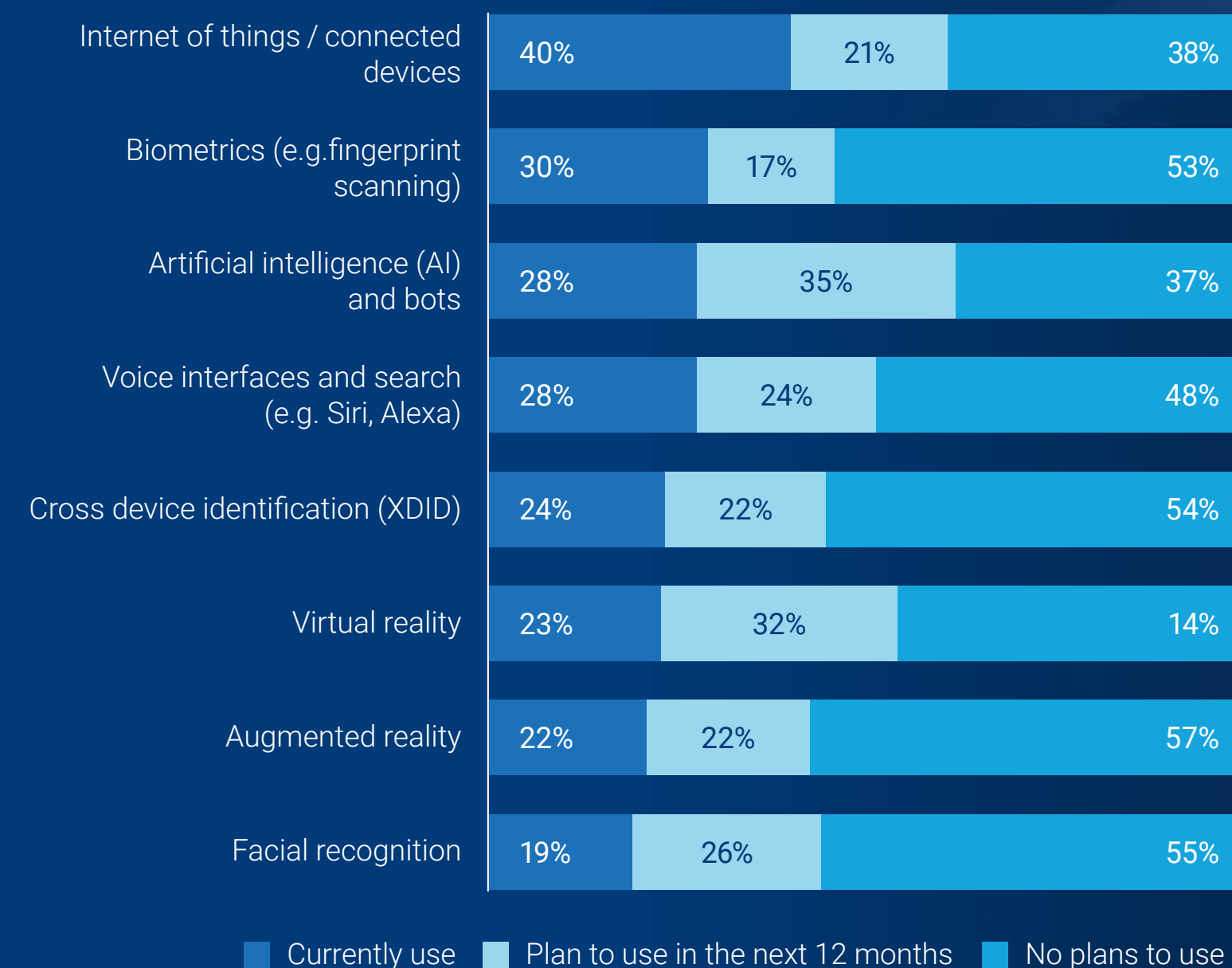
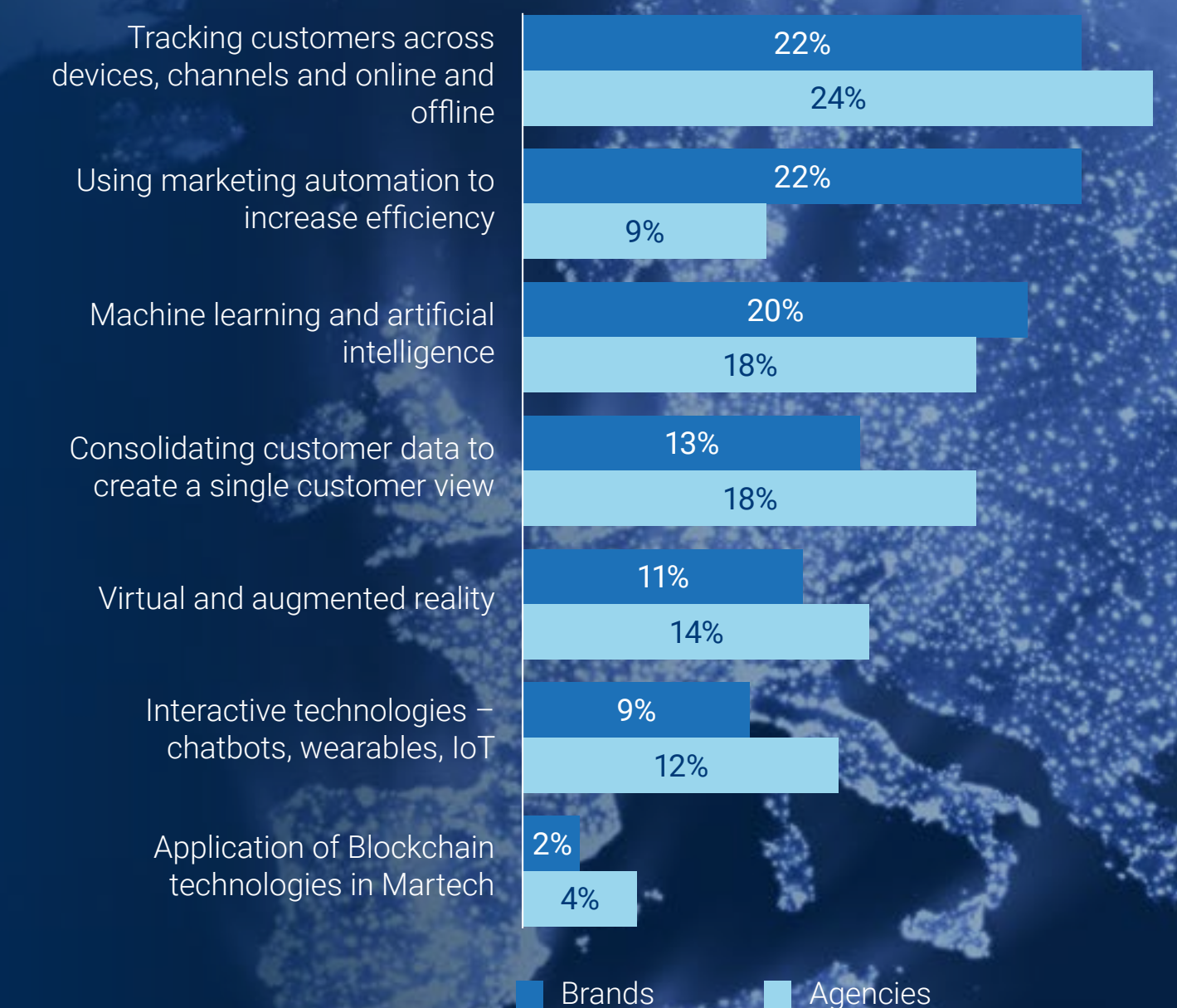


Figure 16: Looking forward, what do you think will present the most exciting opportunity for your organisation (or your clients) in three years' time?



#6 Martech capabilities

A look at the martech landscape can be overwhelming for even the hardest of marketers, with each new vendor entrant onto the market shouting about its own USP as they try to find their niche among heavy competition. This focus on what separates the tool from the rest can mean that the importance of the need for integration is forgotten. The under-utilisation of tools can result, as brands try to keep their heads above water while integrating new tech into legacy stacks and upskilling staff to use it.

The survey results show a level of regional variation, with marketers from APAC clearly the most confident in their martech capabilities, and North America not far behind. Respondents from Europe are less convinced; the largest proportion of those from both the UK and the rest of Europe don't have all the tools they need, but, positively, do fully utilise those they do have.

The agency view is much less positive (**Figure 18**). Agencies clearly believe in the use of martech and feel their clients should use more tools to aid the implementation of their strategies. Just under half said their clients don't have the tools they need and don't fully utilise what they do have.

Brand respondents

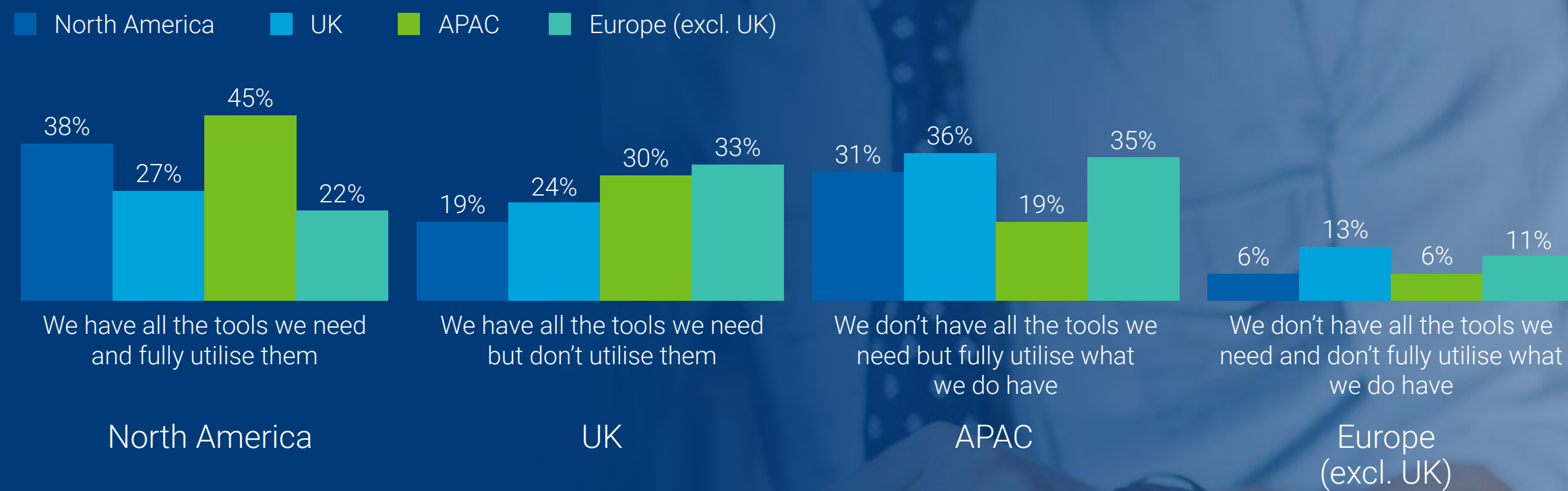


Figure 17: Thinking about the marketing technology capabilities within your company, what best describes your capabilities?

Agency respondents

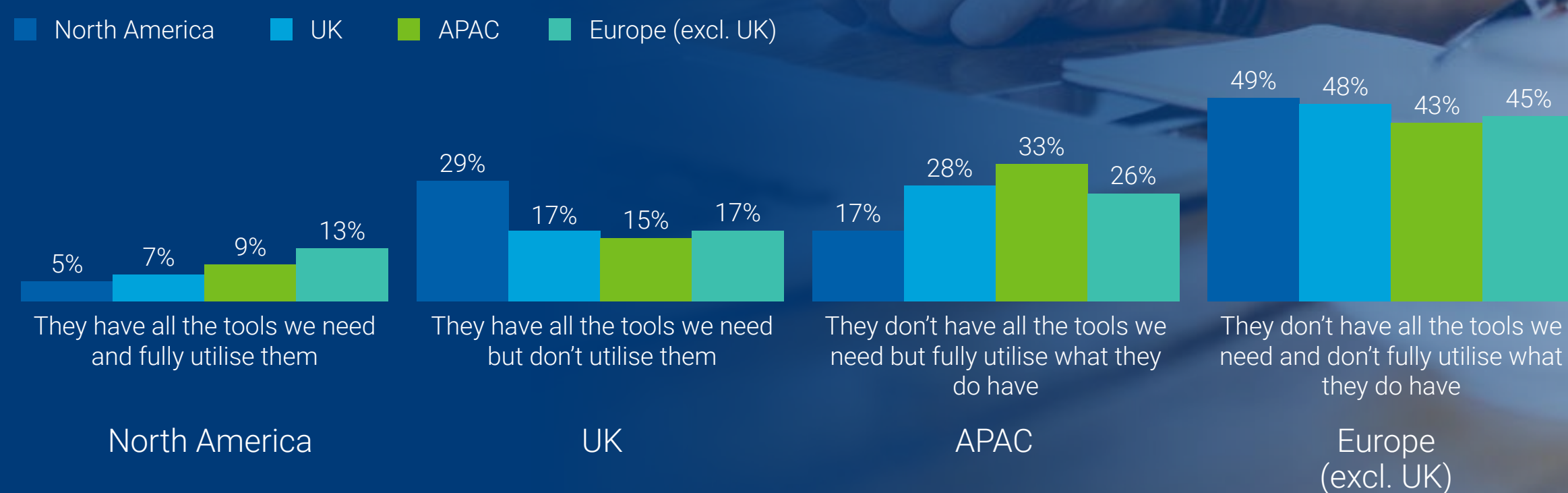


Figure 18: Thinking about the marketing technology capabilities of your typical client, what best describes their capabilities?

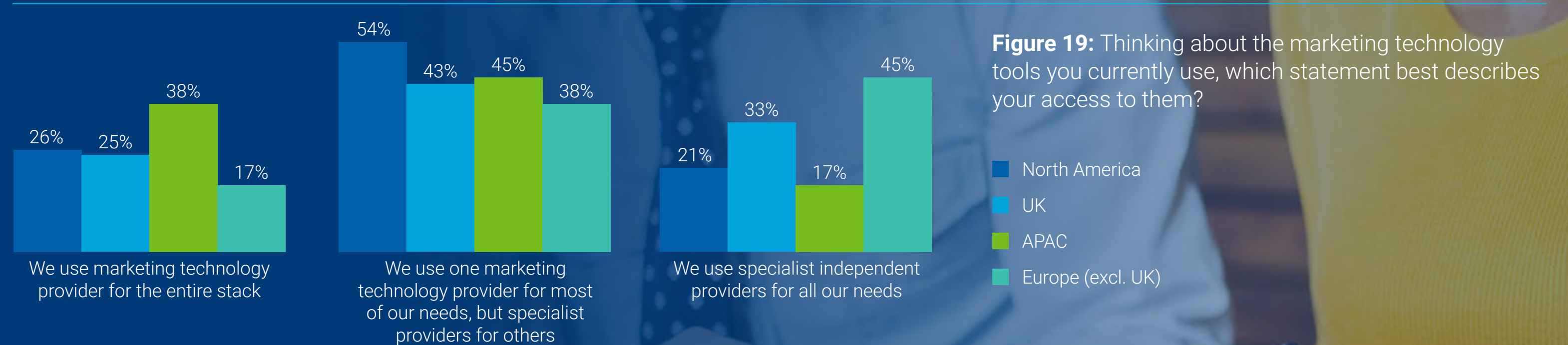
#6

The potential for integration issues is demonstrated in **Figure 19**, which shows that the majority of marketers use a combination of tool providers across marketing disciplines. The confidence that respondents from APAC have in their martech capabilities could have a root cause in the results shown here; they are most likely to be using one martech provider for the entire stack, limiting the integration issues felt by others and meaning they have one point of contact and advice for all their needs. Though this may mean they miss out on some specialist tech, satisfaction appears correlated with integrated tech in APAC.

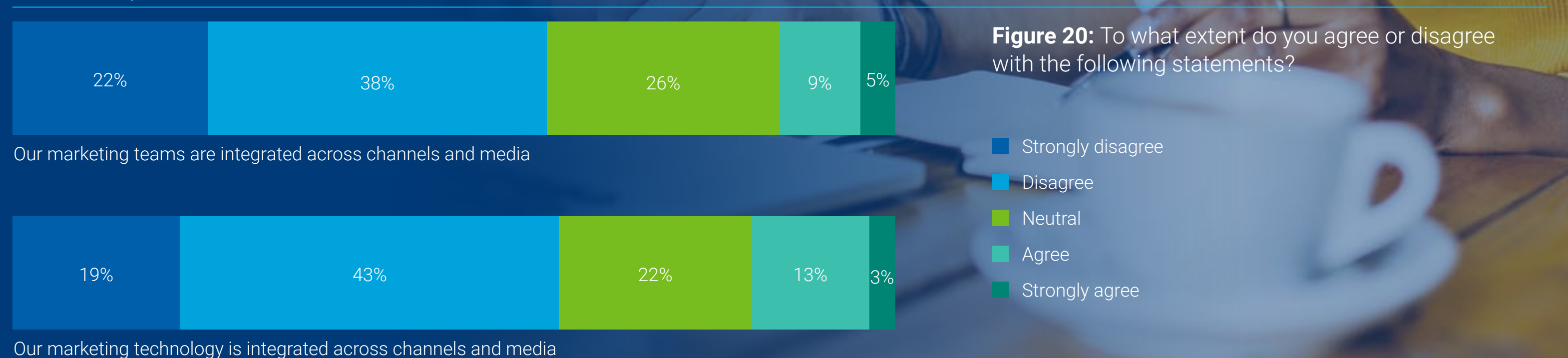
In fact, separate reports have found that globally, 'leading' organisations are more likely to have a single-provider of martech solutions: a 2018 Econsultancy and IBM *report* found that leaders were 2.5 times more likely than mainstream companies to use one provider for the vast majority of their needs.

Though globally only 29% are using one provider, 62% agreed that their marketing technology is integrated across channels and media, and 60% said marketing teams were integrated across channels and media. Comparing the UK and North America results to last year shows an increase in the proportion of those agreeing with both statements, pointing to increased levels of integration over time in these regions.

Agency respondents



Brand respondents



#7 Skills

Creativity and its converse of data and analytics are the top two most desirable skill sets when hiring into the marketing function within brands, and the results generally show that wider strategy and 'big-picture' skill sets are preferred versus channel-specific skills in, for example, mobile and email.

However, the top priority for agencies differs: their top pick was turning data into actionable insights, selected by 65% – a clear leader versus the brand results where the top two picks were selected by 42% of the sample. The focus on data to insights by agencies perhaps shows the understanding among agencies that the huge amount of data being produced by tools needs to be utilised for the tools to be valuable.

Indeed, the majority of both brands and agencies have seen an increased need for data skills associated with their use of martech, but only 62% feel that they have the skills they need to be able to capitalise on their investment in martech.

Brand results

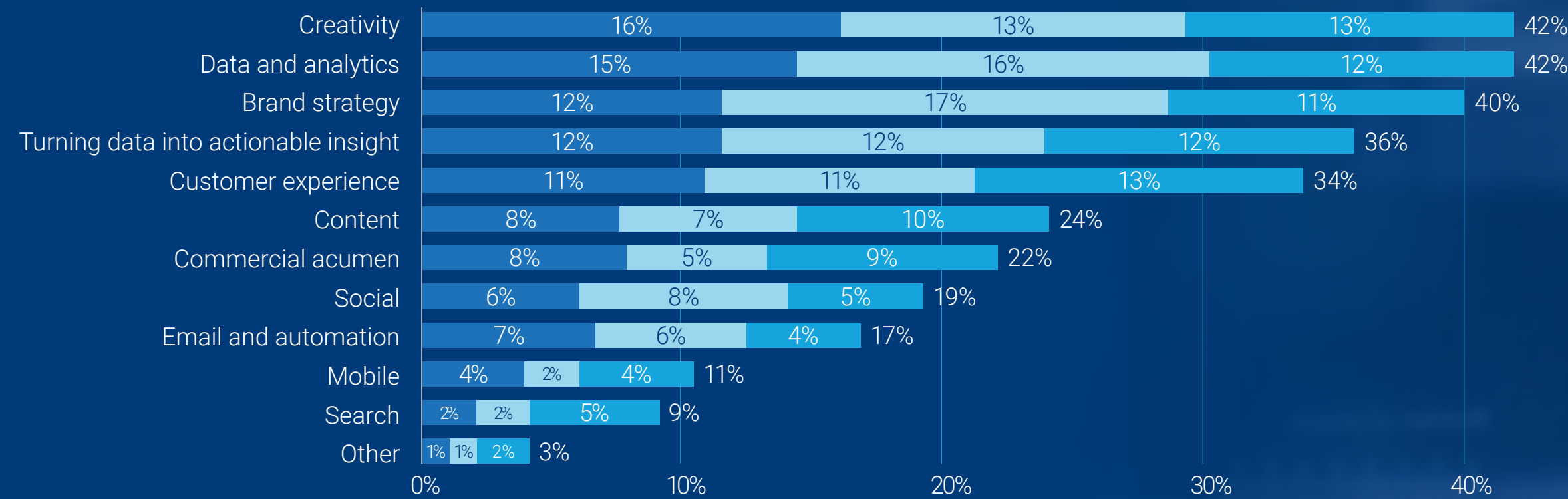


Figure 21: Please rank the top three skills in order of priority when hiring into the marketing function at your company.

- First choice
- Second choice
- Third choice

Agency results

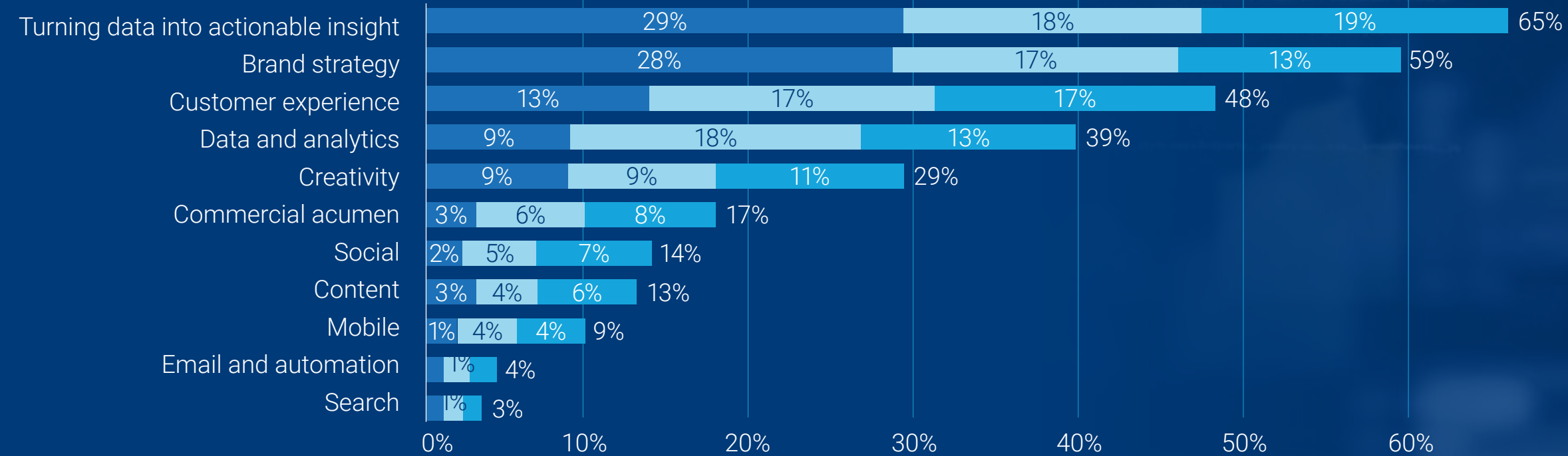
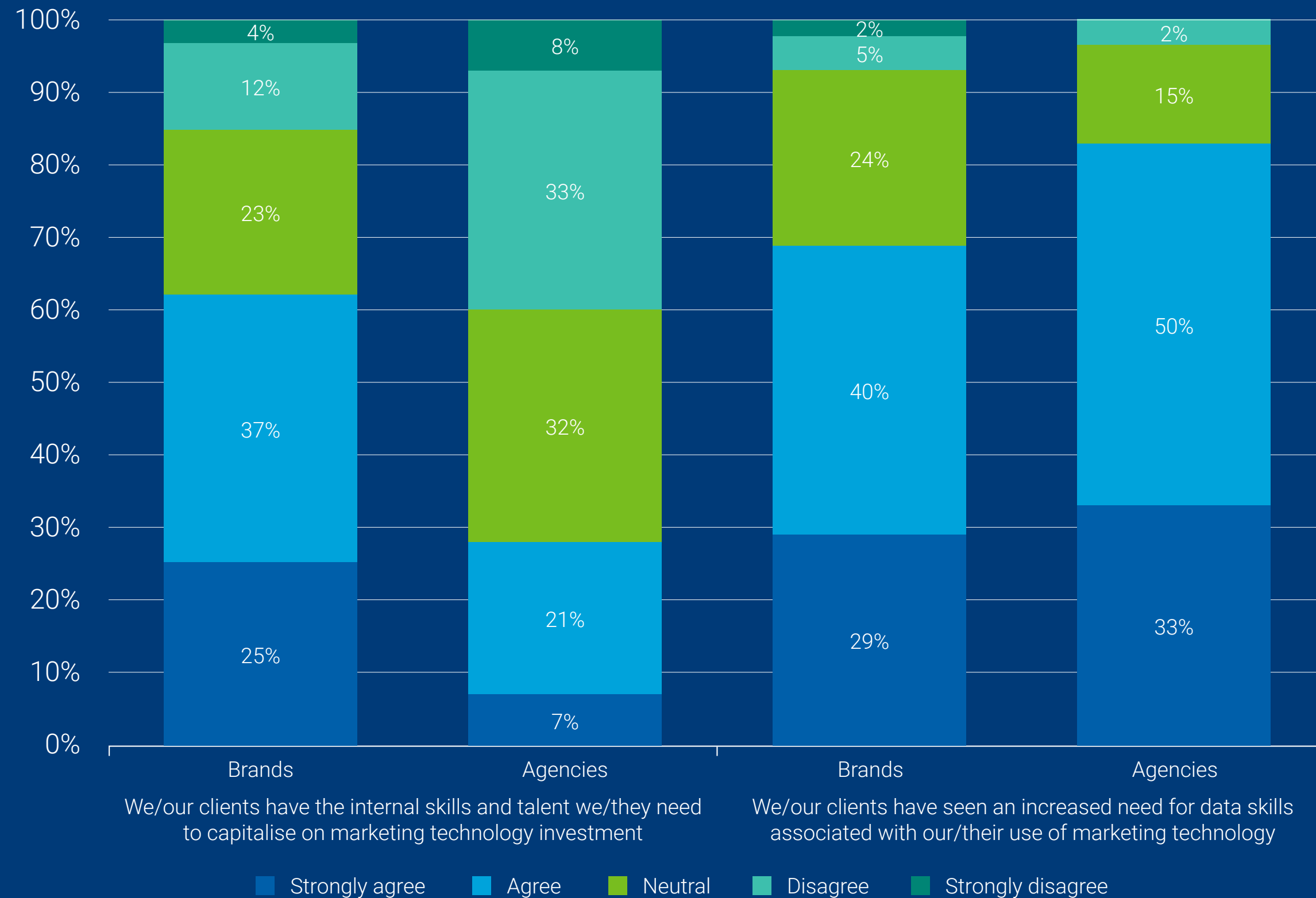


Figure 22: Please rank the top three skills in order of priority when hiring into the marketing function at your company.

- First choice
- Second choice
- Third choice

#7



What does this mean for...

Brands

With martech in mind, data skills are vital to provide a return on investment. The 'fuel' and indeed output of the majority of marketing technology tools is data, so the ability to clean, organise, integrate and pull insights from data is paramount for brands invested in martech. This research shows that creativity alongside data analysis is the highest priority for brands, but they may still need to look to their agencies for guidance into the skills they require to fully grasp the martech opportunity.

Agencies

Agencies have a role to play in advising their clients on the skillsets they need internally. Agency/client relationships work best when there is expertise on both sides of the fence, particularly when some services are outsourced and others kept in-house.

Technology vendors

Tech vendors need to provide exemplary client servicing and assistance as standard to stay ahead of their competitors. Brands that do not have the internal skills to fully utilise a platform will never see the returns of their investment, and therefore reinvest, without the help of vendors and agencies that can steer them ahead of their competition.

Figure 23: To what extent do you agree or disagree with the following statements?

#8 A spotlight on APAC

APAC marketers are more confident in their use of martech than any other region. However, APAC marketers are also more likely to be using one single vendor (38%, compared with 29% globally) limiting the challenges of integration issues but potentially also limiting the scope of the application of martech within their marketing strategies.

This may change in the future, as the confidence revealed in this research will drive an expected growth of 58% in martech investment in the APAC region in the next year.

Interestingly, budget is not the key barrier to further tech investment in APAC – lack of understanding and a lack of skills and talent both rank higher (35%) than responses globally.

Worldwide, creativity and data analytics were selected as the top skills priorities when hiring into the marketing function. In APAC, CX was selected by the highest proportion (36%), though data and analytics, in addition to creativity, were both selected by the highest proportion as their first choice (16%).

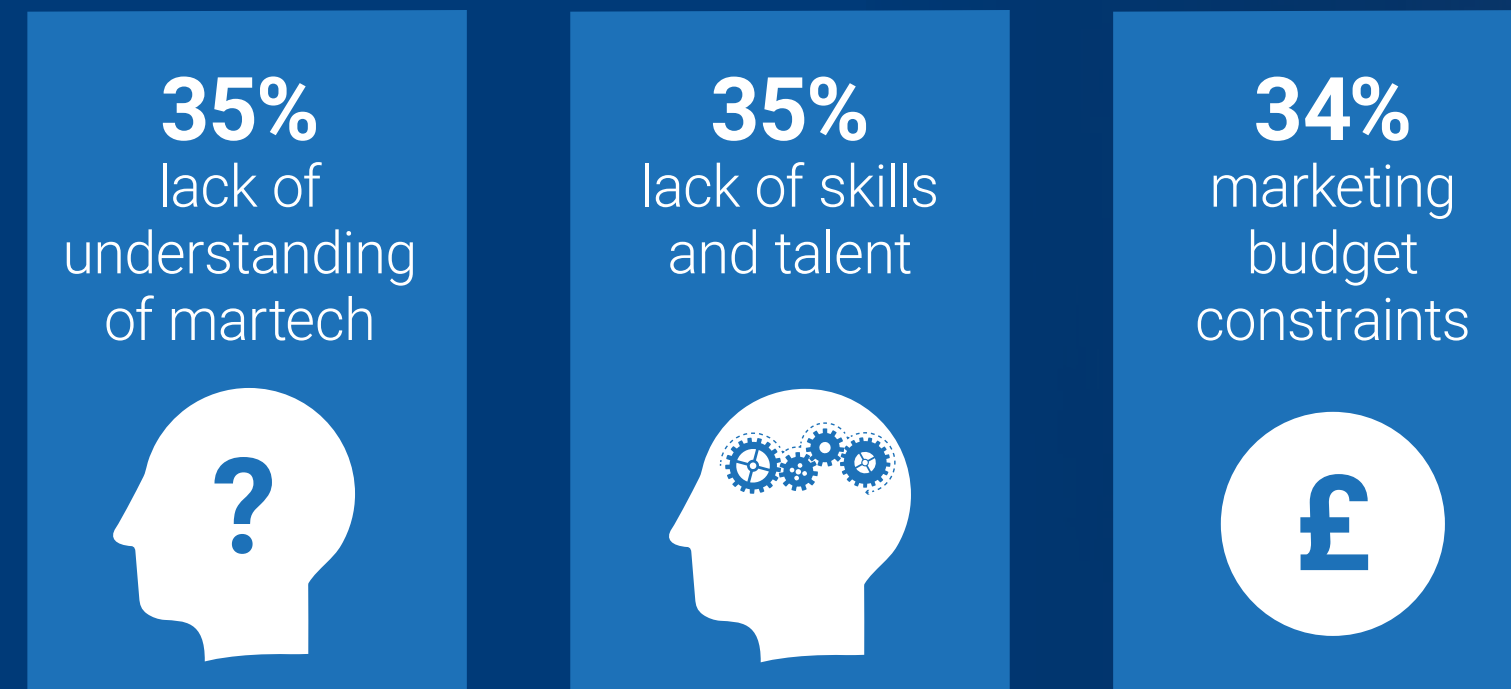
62% of client-side marketers globally agree that they have the internal skills and talent to capitalise on martech investment, compared to 72% in APAC.

From a customer experience perspective, marketers in APAC appear to be more data-focused than the rest of the world. 61% are using a data management platform to optimise the customer experience, and the same proportion are using social media management software (SMMS).

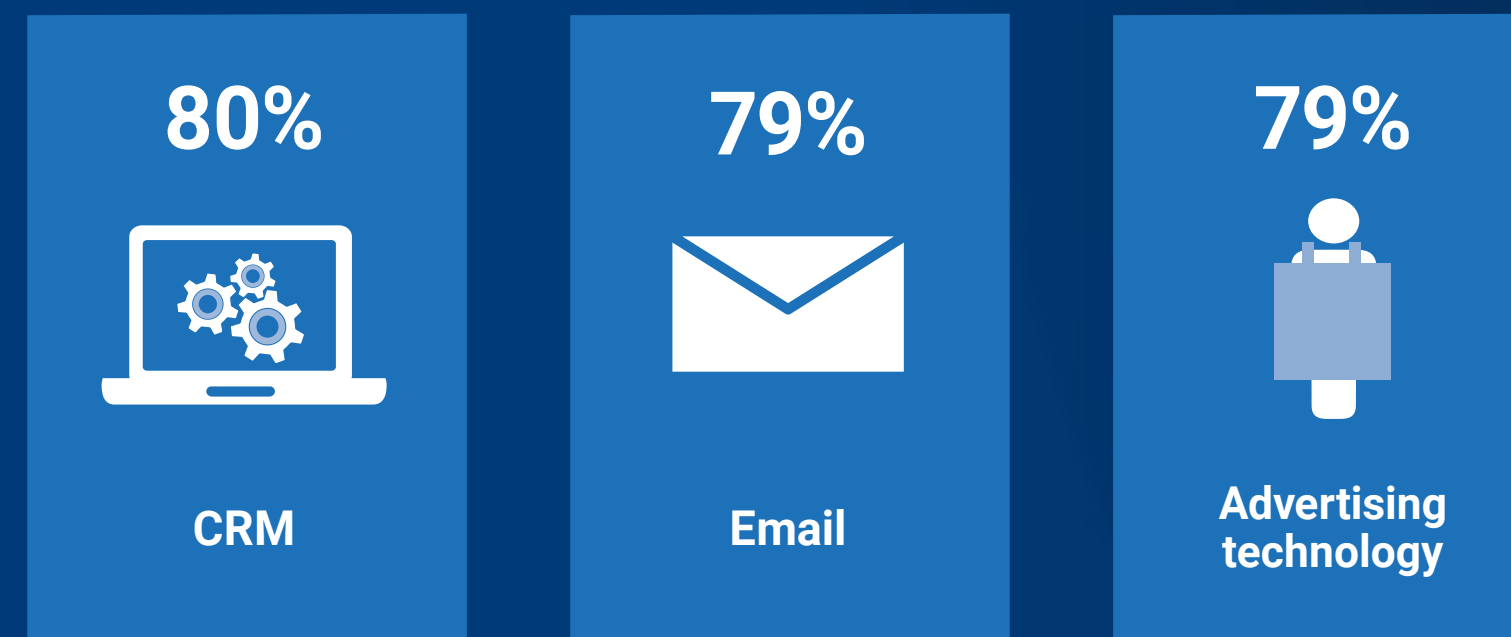
Investment in martech



Barriers to future investment



Martech tools used



Martech capabilities



Figure 24: Thinking about the marketing technology capabilities within your company, what best describes your capabilities?

Skills

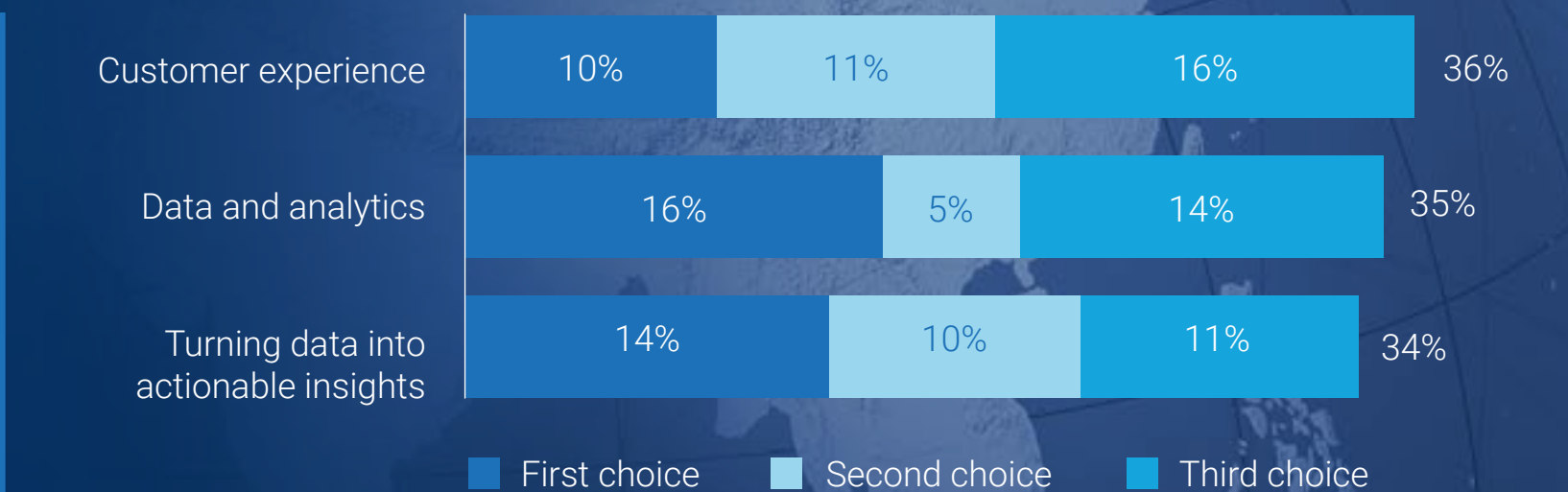


Figure 25: Please rank the top three skills in order of priority when hiring into the marketing function at your company.

Customer experience

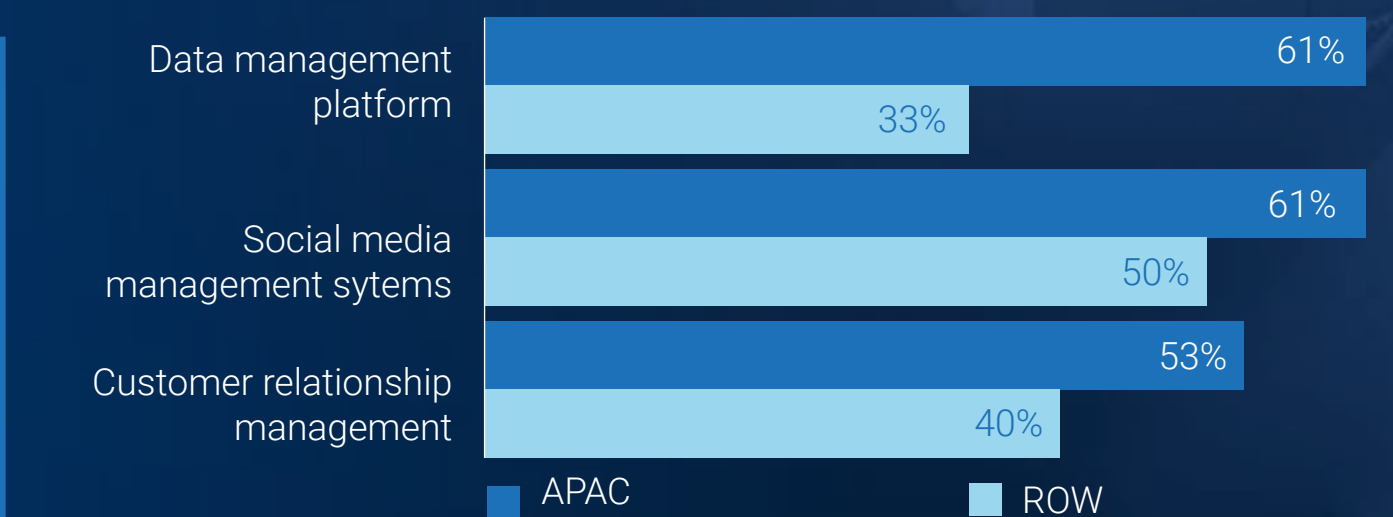


Figure 26: Which of the following marketing technologies are you using to optimise the customer experience?

#8

More than half of marketers are currently using internet of things (IoT) or connected device technologies in their marketing strategies, with 43% planning to utilise cross device identification technology (43%) in the coming 12 months.

Voice interfaces and search, along with artificial intelligence (AI) and bots feature highly in both current usage and planned future use within the next 12 months – highlighting the potential for these technologies to influence marketing strategies in the future.

Looking forward, for brands in APAC the picture looks much like the global results (**Figure 28**), with automation most exciting for brands, and data and tracking most exciting for agencies.

Blockchain technology ranks low on the list of exciting opportunities for both brands and agencies alike – indicating a lack of understanding of how the tech can be used within in-house and outsourced marketing teams.

The future of martech in APAC

Figure 27: Are you using or planning to use any of the following emerging technologies in your marketing strategy?

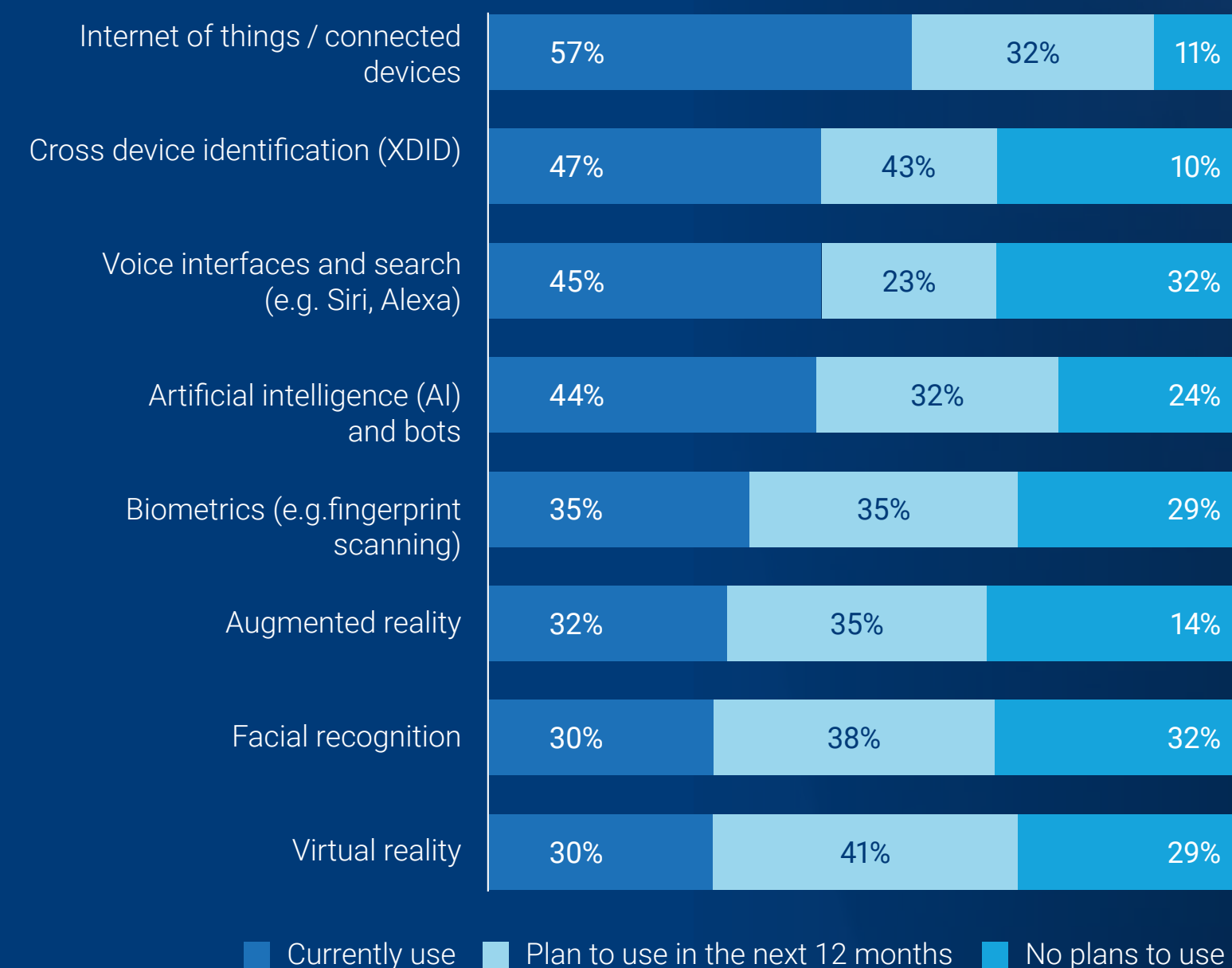
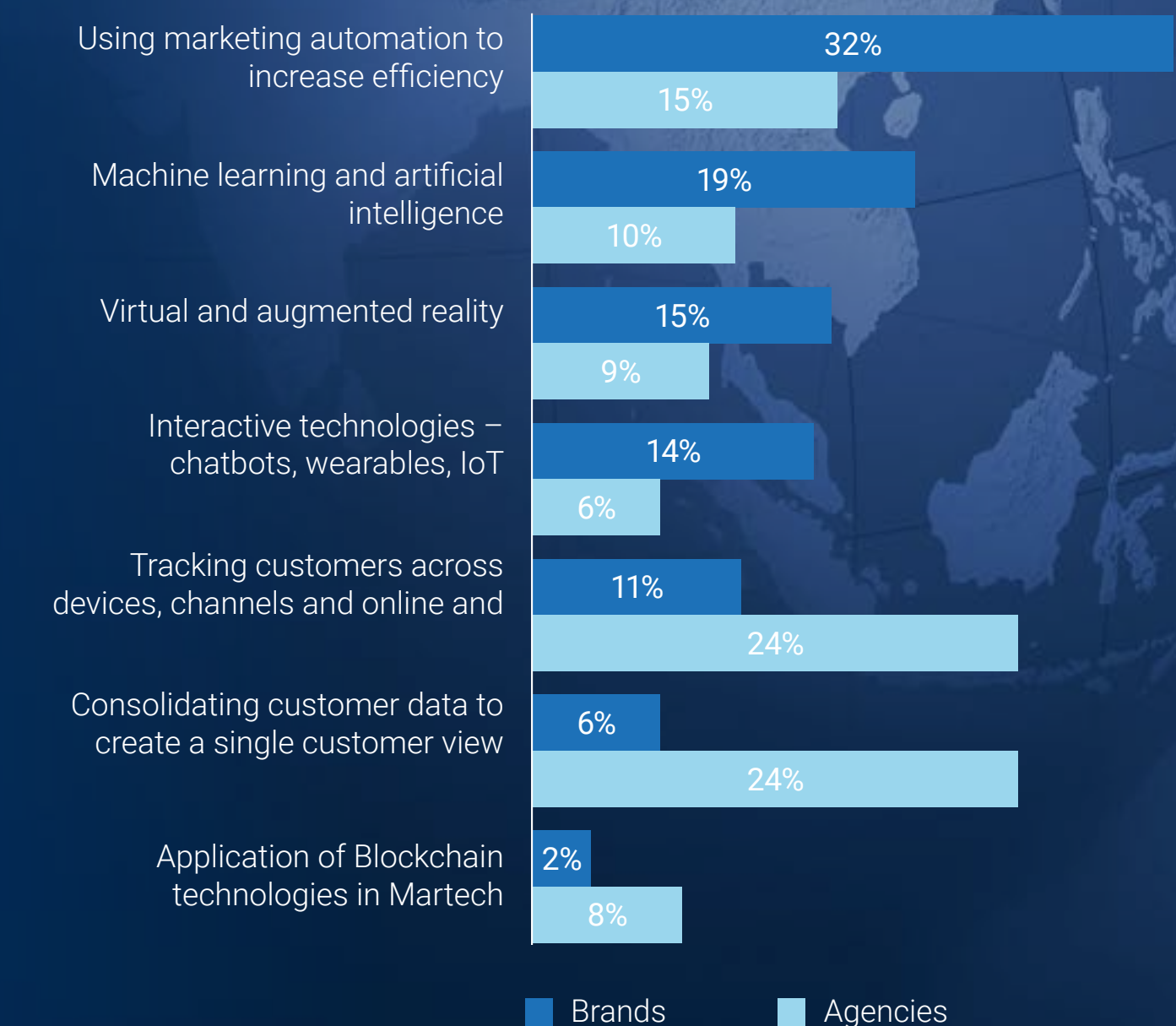


Figure 28: Looking forward, what do you think will present the most exciting opportunity for your organisation (or your clients) in three years' time?



#9 Martech and the customer experience

Customer experience (CX) has become firmly set as the number one focus for marketers wanting to retain and grow their customer base. In an era of heightened competition in almost every industry, it is CX that sets the leaders apart from the rest. **Figure 29** illustrates this focus, with more than 50% of marketers globally naming CX optimisation as very important and a high priority.

With CX the top focus for businesses, the ultimate goal for investment in marketing tech should be to improve the CX in some way, whether directly or indirectly, via increased efficiencies for marketers. For marketers, despite investment in tech, any integration issues of different specialist tools can hinder improvements in customer experience, and can even be detrimental.

Figure 7 displayed previously in this report showed that, globally, 49% of respondents are using a tool for experience optimisation and 27% are planning to use one in the next 12 months, and **Figure 30** builds on this, showing the perception respondents have of their technology with regards to optimising the customer experience. The results are positive in both North America and APAC, where the highest proportion of respondents feel they have the tech in place to optimise the CX across all channels and touchpoints. The picture is less positive for European respondents: in the UK, more than a third have minimal tech for CX optimisation, and 13% said they do not optimise experiences using martech.

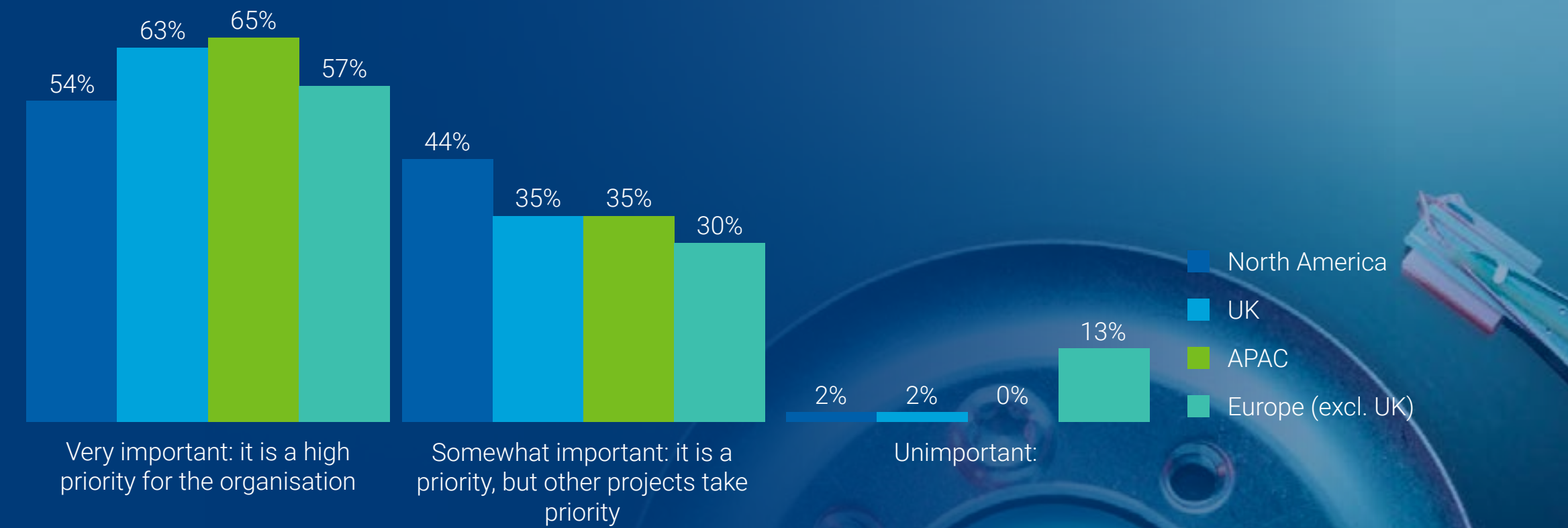


Figure 29: How important is customer experience optimisation for your company?

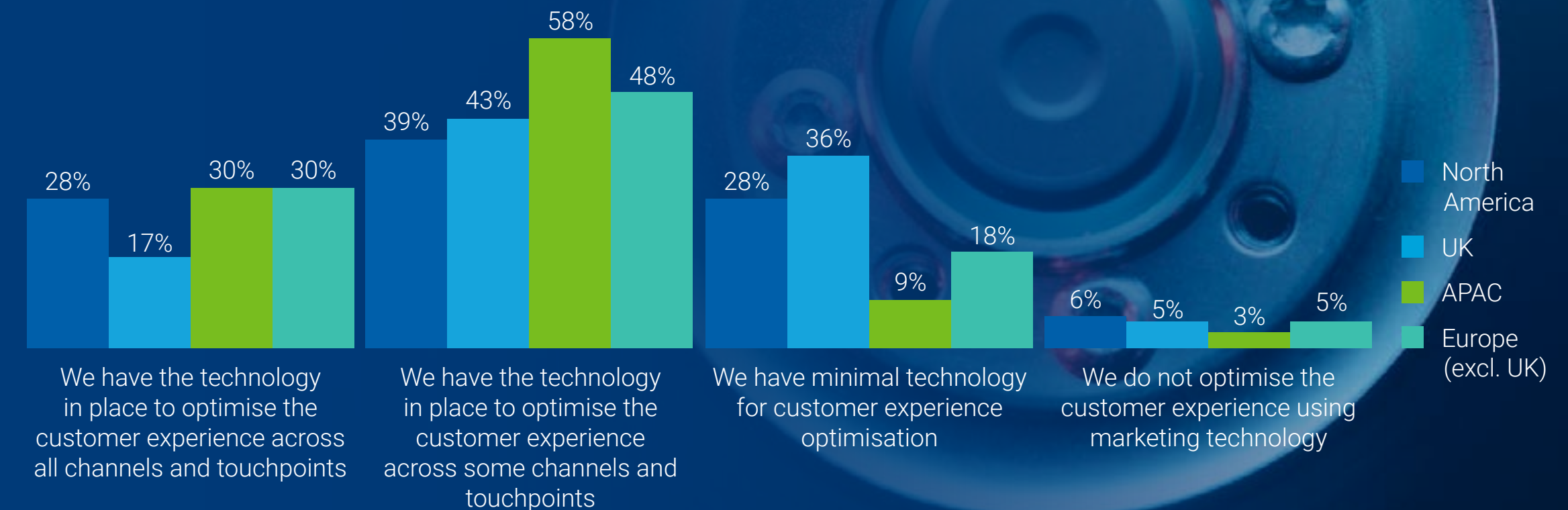


Figure 30: Which of the following best describes your marketing technology capabilities in relation to customer experience?

#9

Comparing the North American and UK results with last year shows some shifts in the use of tools to optimise the CX by brands. Social media management systems have increased in use, perhaps somewhat surprisingly given the increase in consumer privacy concerns and the reputational issues some platforms have had over the last year. CRM technologies remain a top tool for optimising the customer experience, increasing from 43% to 47%, and the use of data management platforms (DMPs) has also increased.

DMPs allow marketers to consolidate their data from multiple sources, optimising the flow of data in and out of their marketing stack to power effective data-driven marketing. Harnessing data is a top priority for brands and agencies (see **Figure 21** and **Figure 22**), and the prominence of analytics and tracking in **Figure 31** also attests to this.

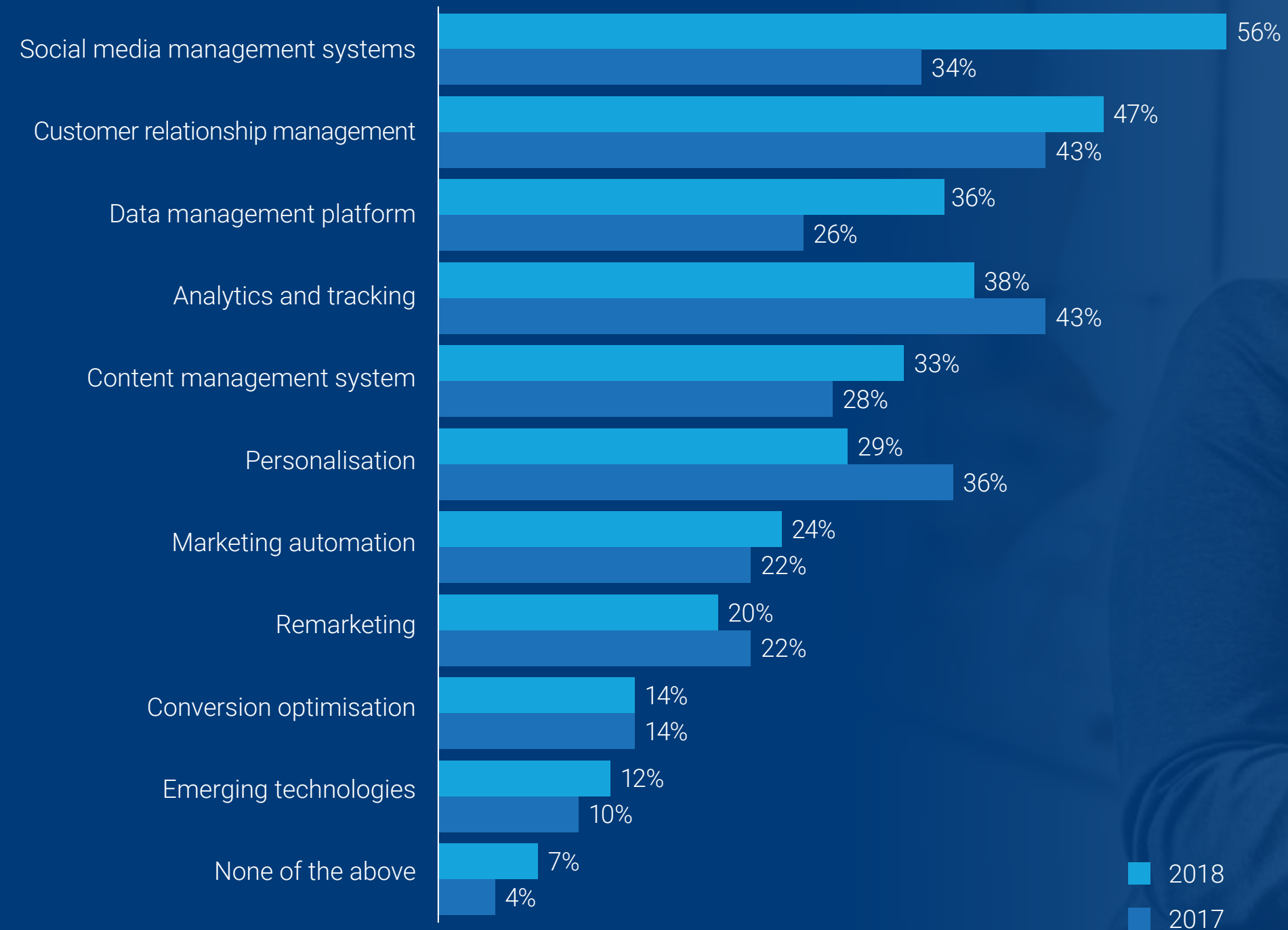


Figure 31: Which of the following marketing technologies are you using to optimise the customer experience?

What does this mean for..

Brands?

Customer experience optimisation continues to be very important to brands, but a significant minority do not have the tools in place to optimise the customer experience. Those with the ability to optimise their customers' experience across touchpoints will emerge as leaders, and in a digital age, customers have come to expect the seamless integration of technology within this experience.

Agencies

The continued focus on customer experience by brands means that those agencies that focus their offering on improving the CX as a service layer on top of technology implementation, could see increased opportunity over the next 12 months.

Technology vendors

More than a quarter of brands intend to invest in an experience optimisation tool over the next year, representing the size of the market for martech focused on CX optimisation. Social media management and data management are both set to be growth areas in terms of CX optimisation technology, and those vendors that focus on marketing their CX improvement abilities could see the most growth.

#10 The future of martech

Technology today develops faster than businesses can implement it. With this rate of development, we wanted to see which innovations brands and agencies were most interested in; whether they were using them now, planning to in the future, or not at all. **Figure 32** shows the most prominent emerging technologies, and arguably the most 'established' tech comes out top; 45% of brands are currently using IoT tech / connected devices.

Second is voice, which has seen rapid development over the past year, influencing the way searches are made online and driving progress in areas like voice-optimisation of assets. A new wave of martech tools will likely emerge to assist businesses with optimising their search-ability for voice. When the results are broken down by region, the UK is shown to be most progressive in terms of voice search; 36% are currently using a tool in this area, and a further 11% are planning to use one in the next few months.

“The world is mindful of the ‘happy go lucky’ style data sharing that has fuelled dissent around everything from presidential elections to public referenda.

Brands need to think really carefully about outsourcing data management to third parties – there’s a responsibility here to demonstrate to customers that, not only is their data safe, but marketers show how their data is being used. Greater transparency, less secrets.”

Damian Ryan, Moore Stephens

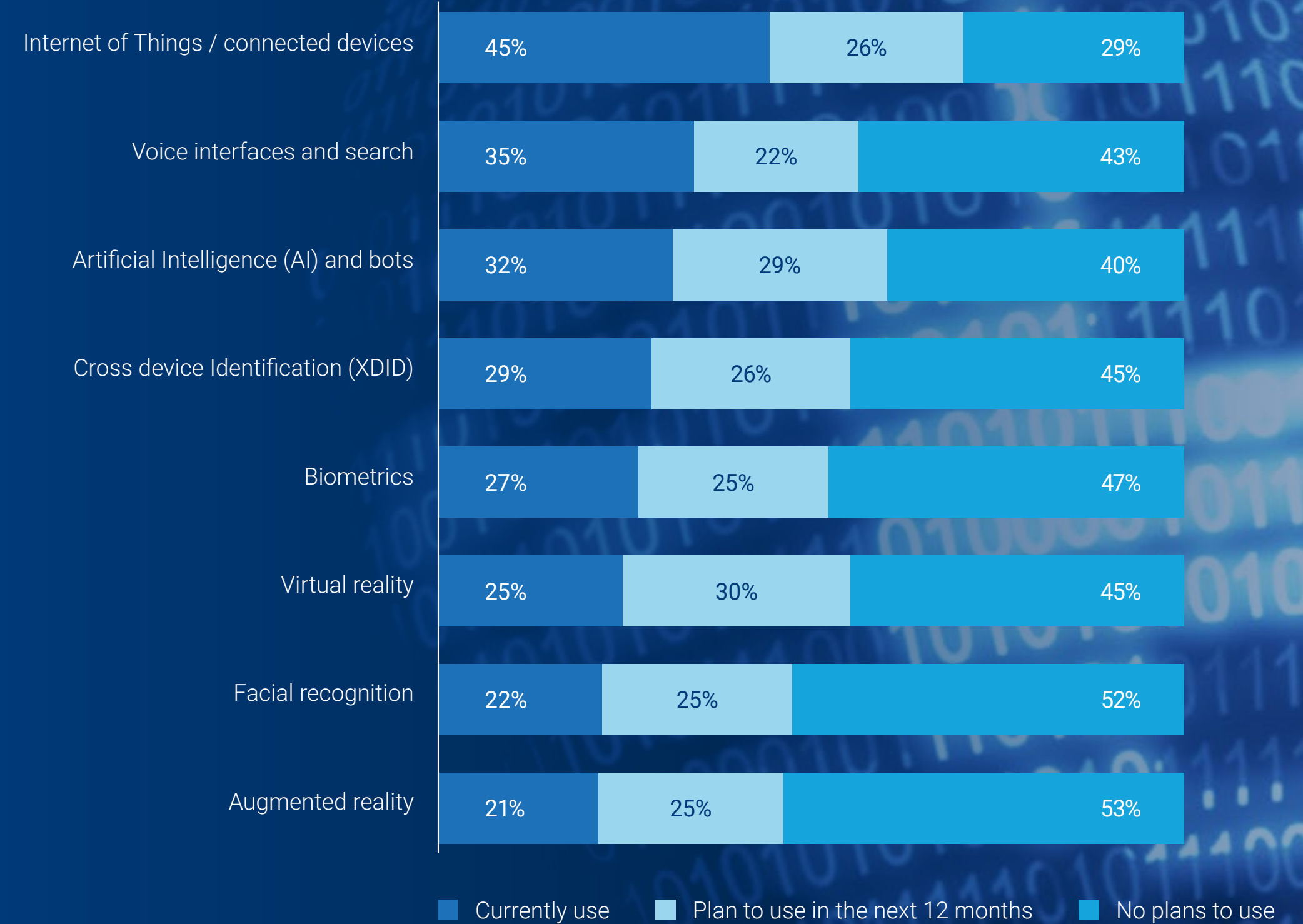


Figure 32: Please rank the top three most important skills in order of priority when hiring into the marketing function at your company.

#10

Looking forwards, brands remain excited by automation. Much of the martech industry focuses on this overall aim of automating parts of the marketing process to improve efficiencies, and 29% of brands see this as the most exciting opportunity over the next three years.

Agencies are focused more on consumer behaviour; the rate of innovation in the marketing technology world is being matched by that in the consumer world, with a proliferation of connected devices and platforms via which consumers are interacting with brands. For a quarter of agencies, tracking customers as they navigate between devices, channels and off- to online will give their clients the best competitive advantage in the future. This relies on data, which is a clear focus of agencies; 20% see the creation of a single customer view as more exciting than any individual tool or discipline.

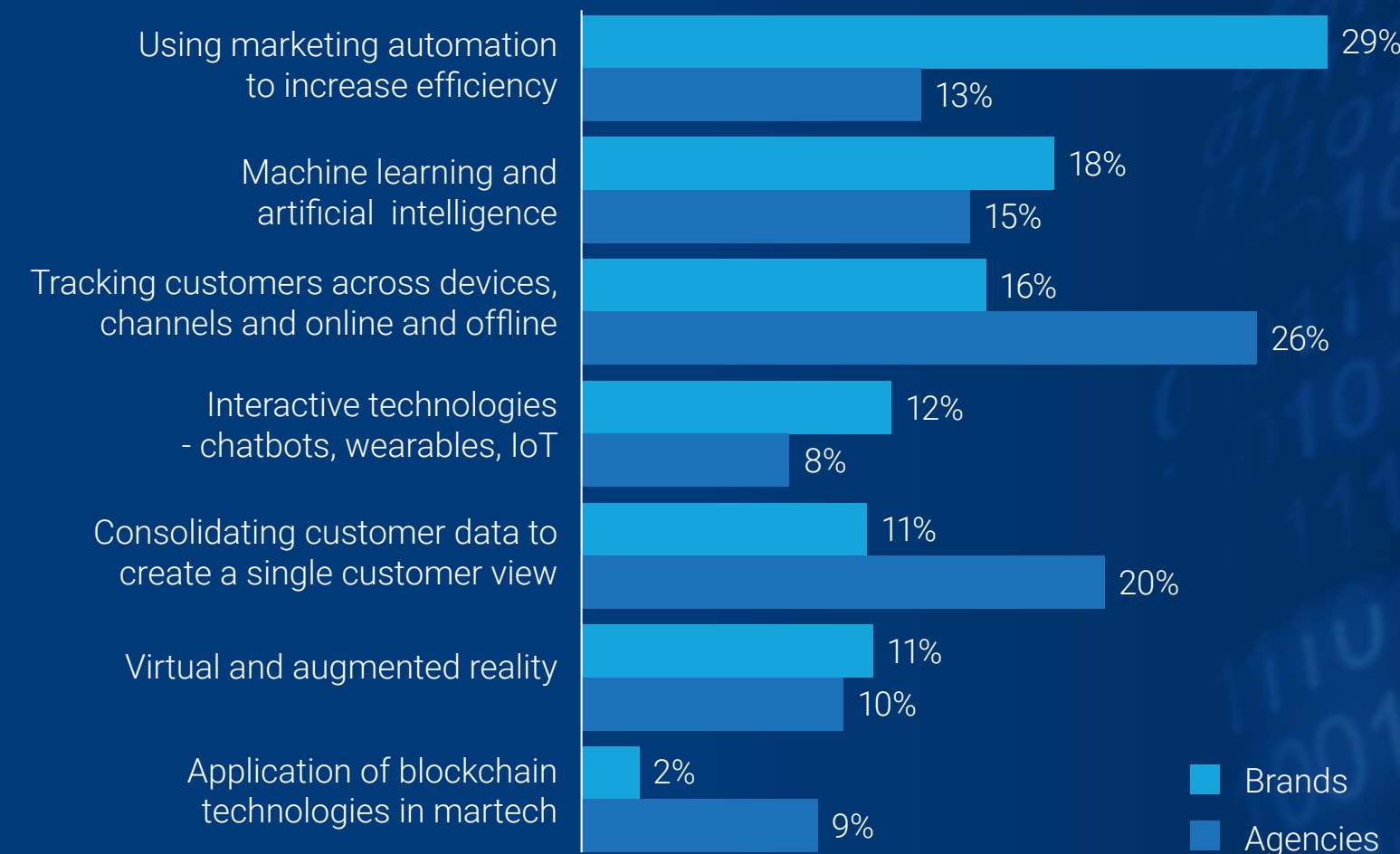


Figure 33: Looking forward, what do you think will present the most exciting opportunity for your organisation (or your clients) in three years' time

What does this mean for...

Brands?

The future is vast when it comes to marketing technology. Brands need to be aware of this and keep their objectives and martech strategy front of mind when assessing emerging technologies. Agency advice could help here, where a wider industry viewpoint can counter a lack of effectiveness cases.

Agencies

Agencies will need to get themselves quickly up to speed on emerging technologies so that they can advise their clients on their use. Integrating new technologies into existing stacks is a continual battle for brands and their agencies alike, and these stacks will increase in complexity as new tools continue to emerge. Agencies can assist brands by advising their clients towards stacks that are as simple as possible, including technologies that are being fully utilised continuously, not impulsive acquisitions for single campaigns.

Technology vendors

The future is full of potential for technology vendors. Those trying to capitalise upon emerging technologies, either as specialist providers or by acquiring specialists to add to their offering, need to be wary of 'emerging' technology that passes as a fad, or tech that hasn't yet become mainstream so won't immediately provide a return. Those that pick the right moment and technology could win big in a digital wave that shows little sign of abating.

#11 Key takeaways

\$99.9 billion

Martech is booming and traditional media is paying the price.

Martech budgets have increased by 44% this year – 23% of marketing budgets are now spent on martech in the UK and North America, giving an estimated global market size for martech as \$99.9bn for 2018.

Spend is focused on email and social media marketing tools, and for more than half of marketers globally, this spend is to the detriment of media spend, who say that increased martech spend has caused their media spend to decrease.

+44% growth

Budgets are expected to increase over the next 12 months.

This is particularly the case in Europe (excluding the UK), where 63% said they expected their budgets to increase.

For those expecting an increase in budgets, a global average increase of 13% is predicted over the next year, with almost 20% of those in North America (18%) and the UK (17%) expecting increases of more than 25% in their martech budgets over the next year.

Automation

Automation will play a significant role in the future of brands.

Marketing automation is the most exciting opportunity for brands over the next few years.

The appeal here is in the increased efficiencies that automation can provide – streamlining processes by removing some of the moving parts and improving consistencies – key for good customer experiences.

Data

Data is the fuel for martech, but creativity will separate the leaders from the rest.

Investment in martech is increasing the need for data and analytics skills within brands. The sheer volume of data and technology available has the potential to bog down campaigns, and marketers are realising this, placing creativity equal to data as priorities when hiring into the marketing function.

Emerging technologies are seeing applications of this creativity, with voice, the Internet of Things and virtual reality all being used or planned by significant numbers of marketers globally.

#12 Contact us

Damian Ryan - Partner
damian.ryan@moorestephens.com

Mark Ayres - Partner
mark.ayres@moorestephens.com

Aimee Griffiths - Director
aimee.griffiths@moorestephens.com

Moore Stephens LLP, 150 Aldersgate Street, London EC1A 4AB
T +44 (0)20 7334 9191
www.moorestephens.co.uk

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Amy Rodgers - Research Editor
amy.rodgers@warc.com

Imaad Ahmed - Marketing Director
imaad.ahmed@warc.com

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London

85 Newman Street
London
W1T 3EU
United Kingdom
+44 (0)20 7467 8100 enquiries@warc.com

Washington

DC 2233 Wisconsin Ave NW Suite 535
Washington
DC 20007
United States
+1 202 778 0680 americas@warc.com

Singapore

OUE Downtown 1, #44-03
6 Shenton Way
Singapore
068809
+65 3157 6200 asiapacific@warc.com