Unravelling the digital display industry
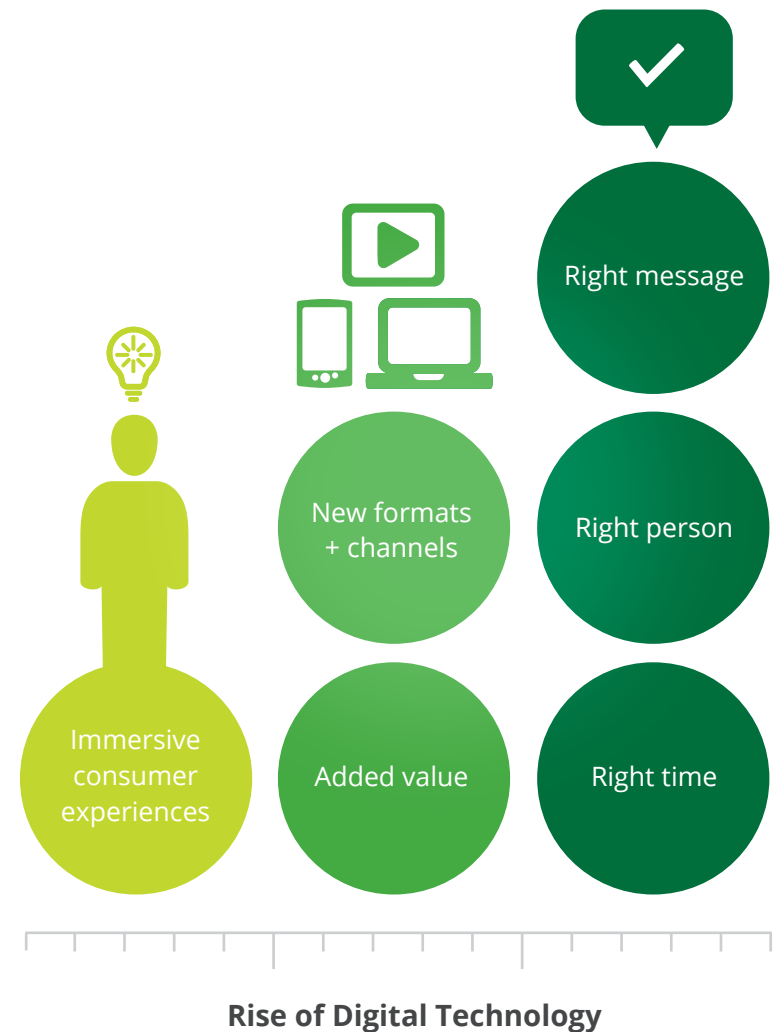
Understanding the tools & benefits of digital marketing

doubleclick
by Google

Introduction

Digital technology has created explosive innovation for marketers, resulting in everything from new ad formats and content channels, to immersive consumer experiences. The rise of digital has also led to a proliferation of advertising technology platforms designed to help marketers adapt to the new digital reality, and ultimately unlock the vision of delivering the right message, to the right person, at the right time.

In 2012, DoubleClick by Google began surveying leading digital agencies and marketers on their use of platforms to understand the opportunities and challenges these technologies present to organizations. In this second wave of the study, we find that – much like the underlying technology – organizations' attitudes and expectations for digital platforms are rapidly evolving.

In this report we highlight some of the transformative changes taking place in the adoption of ad tech platforms. We hope you enjoy.

Right message

New formats + channels

Right person

Immersive consumer experiences

Added value

Right time

Rise of Digital Technology

"Where are organizations investing in digital platforms?"

The average number of platforms deployed grew **10%** from **4.3** to **4.7** between 2012 - 2013.

4.3

2012

4.7

2013
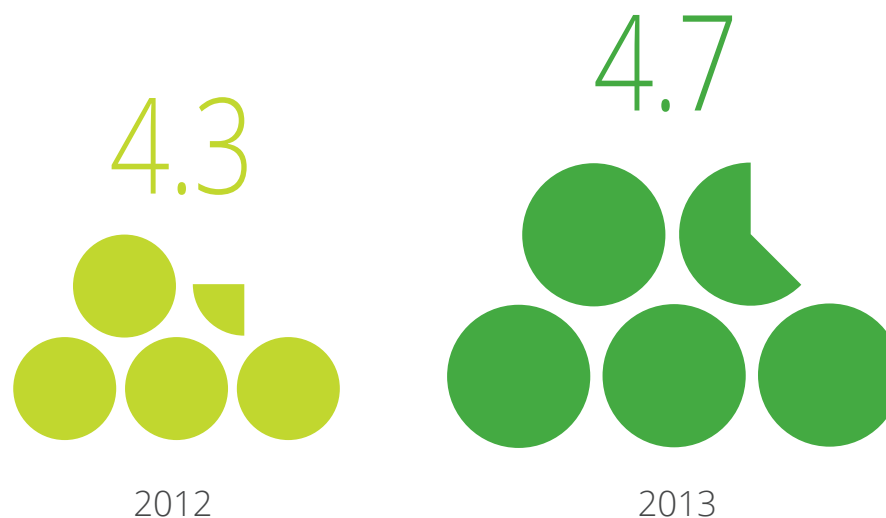
Organizations continue to acquire new platforms despite **only**

51%

of them believing they are fully utilizing the systems they **already** have

Q: How many **digital platforms** does your organization have? Are you using **all of the capabilities** you already have access to?

Foundational technology like ad servers and various social channels are the most commonly used platforms. Newer platforms, tailored to discrete business or vertical needs are the least frequently deployed.

Conclusions:

Most frequently deployed platforms:

Social media channels (G+, Twitter, Facebook etc)

Ad server (tied)

Social media management platform (tied)

Measurement and analytics (tied)

Ad exchanges

Least frequently deployed platforms:

Retargeting or remarketing platforms

Demand Side Platforms (DSPs) (tied)

Tag management (tied)

Data Management Platforms (DMPs)

Data optimization

- **Marketing organizations** continue to acquire new platforms, even as they work to fully use the systems they already have.

- **Foundational platforms** such as ad serving and use of social media channels (eg G+, Twitter, Facebook) are the most prevalent across organizations.

- **Social media ads** became the most commonly used ad format across organizations in 2013, suggesting significant experimentation with this channel in the marketing mix.

"How are organizations measuring success?
Are they satisfied with investments in platforms?"

Overall organizations use an average of 4 metrics to monitor the performance of their digital platforms.

The most common types of metrics being used are:

75%

Campaign effectiveness

60%

Financial

47%

Time spent

Respondents identified more than **15 metrics** commonly used by organizations to track the value of platforms.

KPIs

4.4

on average, **Agencies** track more KPIs (4.4) than **Marketers** (3.6)

3.6

Q: What are the **metrics** your organization uses to track the **value** of digital marketing platforms?

The number of organizations that were **highly satisfied** with their digital platforms increased from **33%** to **49%** between 2012 to 2013.

33% 49%

2012   2013

Percentage of **Marketers** and **Agencies** who believe digital marketing platforms provide them with a **competitive advantage:**

64%

56%

69%

67%

2012   2013
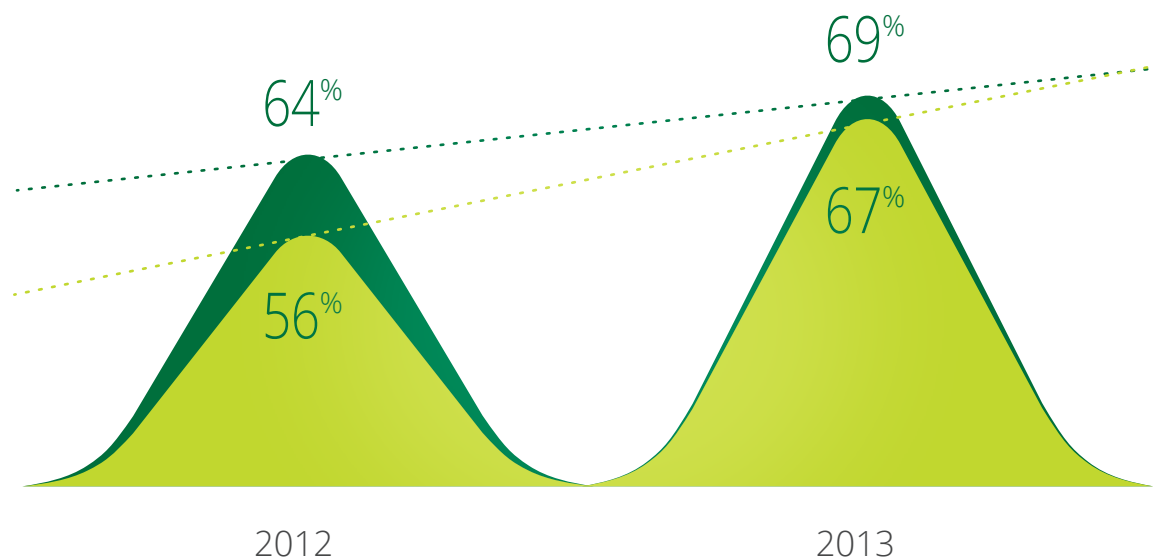
Conclusions:

- Organizations are **measuring the value** of platforms, but the specific metrics used are unique to each individual organization.

- Satisfaction with digital platforms is accelerating to the point where almost **half of all organizations** are very satisfied with their results.

- In the last 12 months, Agencies increasingly see platforms as a way to **differentiate** themselves from their competition.

"What is the value of an integrated digital platform?"

Three-quarters of all organizations believe an integrated platform could meet all of their marketing needs -- a **23% increase** from 2012.

75%

More than **half** (**59%**) of organizations now believe the **value** of deploying an integrated digital marketing platform clearly outweighs the **cost of deployment.**
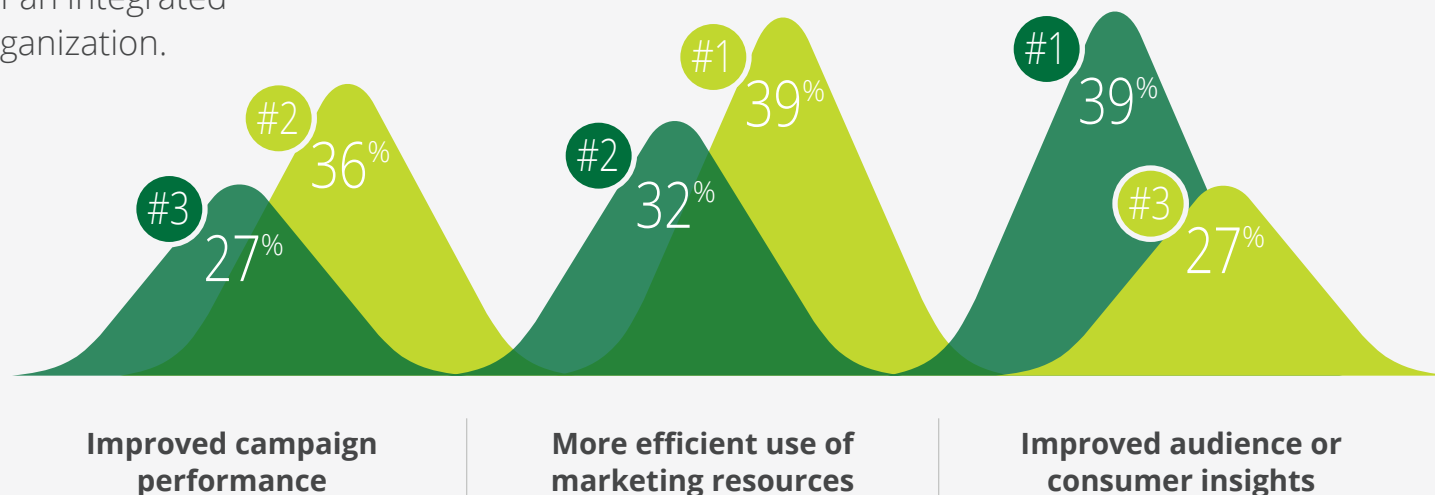
59%

Marketers and Agencies disagree on what the most significant benefit of an integrated platform would be to their organization.

Agency

Marketer

#3 27%   #2 36%

Improved campaign performance

#2 32%   #1 39%

More efficient use of marketing resources

#1 39%   #3 27%

Improved audience or consumer insights

When digital platforms are integrated, people expect them to...

...save them an average of:

34%
of their time

or

1.6
hours per day

Supplying Virgin visuals for Marketing Week

Integrated platform

...improve a number of processes, the most common of which were:

24%
Audience targeting and delivery

18%
Media planning and buying

17%
Creative development

Conclusions:

- As organizations **deploy more** platforms, they are seeing more future and potential value from integration.

- Organizations increasingly see an integrated platform as a **viable solution for all their digital marketing needs.**

- Agencies and Marketers anticipate different integration benefits -- marketers expect a holistic audience view, while agencies expect operational efficiencies.

- The expected amount of time savings from integration are consistent across organization type and size.
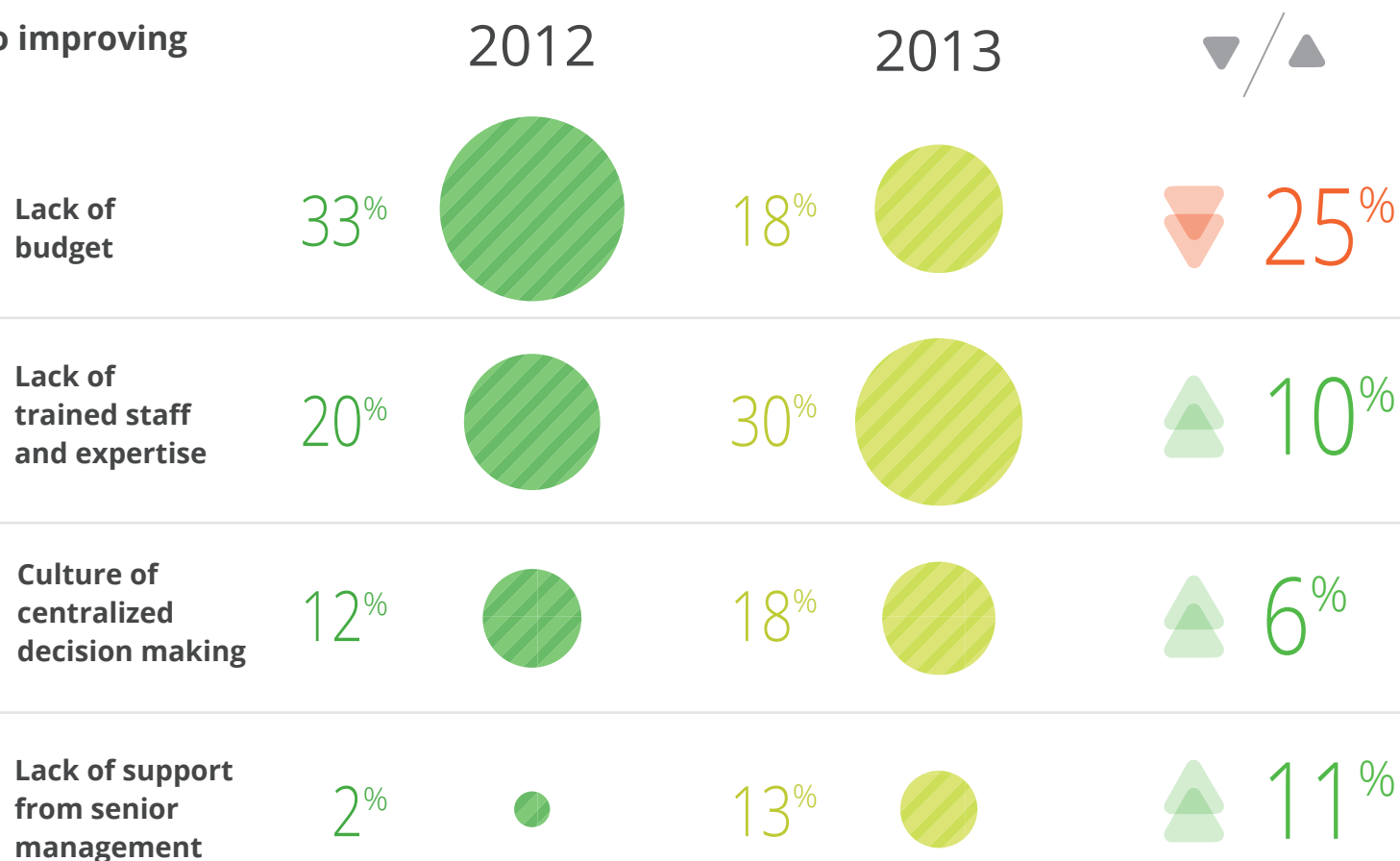
"What is holding organizations back from leveraging digital platforms?"

Perceived obstacles to improving marketing processes:

While there is never enough budget, organizations now believe **staff expertise** is the most significant barrier to progress.

	2012	2013	▼/▲
Lack of budget	33%	18%	▼ 25%
Lack of trained staff and expertise	20%	30%	▲ 10%
Culture of centralized decision making	12%	18%	▲ 6%
Lack of support from senior management	2%	13%	▲ 11%

What skills do organizations need to work on?

2 of the 3 areas in which organizations need to upskill their staff, are focused on **cross-channel campaigns** (in rank order, highest to lowest)

20%
Media planners who understand how to implement cross-channel campaigns

20%
Marketing operations or process managers to maintain workflows enabled by digital platforms

19%
Advertising creatives with skills in developing cross-channel campaigns

Conclusions:

- Even though budget is always an issue, it's no longer seen as the most significant issue for realizing more value from platforms.

- The most frequently cited obstacle is now people-based -- the lack of trained staff and expertise -- as **organizations recognize the need to upskill employees** in parallel with technology.

- Organizations who see staff expertise as the largest barrier to adoption are significantly more satisfied with their current platforms than organizations that see other obstacles as the most significant.

"How do heavy adopters of digital platforms differ?"

Heavy adopter organizations
(6+ platforms)

Organizations that have deployed **6+ digital platforms** tend to expect more from their investments, have greater satisfaction, and see different challenges for the future.
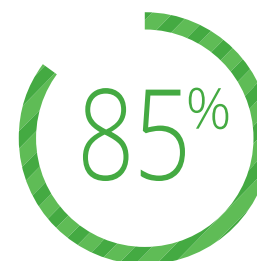
Metrics tracked: 5.3

85% agree an integrated plaform could meet all of their digital needs

Most significant perceived barrier to adopting an integrated platform:

Staff training requirements

Average time spent per employee per day in platforms: 4.9 hours

Average organizations
(< 5 platforms)

Metrics tracked:

3.1

69% **agree an integrated plaform could meet all of their digital needs**

Most significant perceived barrier to adopting an integrated platform:

Budget constraints

Average time spent per employee per day in platforms:

4.2 hours

Conclusions:

- While organizations are increasingly satisfied with their digital platforms, the heaviest adopters are the most satisfied -- and the most optimistic about the potential for integrated platforms.

- Heavy platform adopters tend to track more metrics, and see people issues such as training, as more significant barriers than resources or budget.

Conclusion:
"What does this mean for me?"

The marketing industry is entering a new era where interoperability and integration across digital platforms is unlocking more value for marketers. Early data suggests that marketers and agencies are becoming increasingly comfortable with digital platforms resulting in more investment, measurement and attention.

The market conversation seems to have shifted from justifying investments in platforms (ie are platforms worth it?) to figuring out how to maximize the effectiveness of the platforms deployed.

As marketers become more comfortable with platforms, they are increasingly focused on integrated solutions.

Where does your organization fit in?

The marketing industry is just completing the early stages of the transformation to digital marketing technology. Early signs point to a trend that marketers and agencies are becoming more comfortable and knowledgeable about digital platforms, are investing more, and are beginning to see tangible value as KPIs become more clear and refined.

The market discussion seems to have shifted from "are platforms worth it" from a time and budget perspective, to one about how organizations can maximize the effectiveness (reach & scale) of the technology companies already have at their fingertips.

As companies see the value in digital platforms -- and recognize the long road ahead of them -- marketers and agencies are increasingly becoming comfortable with the notion that an integrated platforms is a better long-term solution for the digital complexity than a best-of-breed approach.

Those who are at the front of the adoption curve and are heavy users of digital marketing platforms are going to continue to reap the benefits and pave the way for others. Those who are slower to adopt are going to continue to face barriers and grapple with justifying the value. Where does your organization fit in this digital divide and where do you plan to be in the coming years?

your organization

maximize effectiveness

digital platforms

Study methodology

For the purposes of this study "platforms" were defined as technology used for planning, developing, executing or measuring digital marketing campaigns regardless of the media inventory the campaigns eventually run on.

This survey collected data from approximately 300 agencies and advertisers annually in 2012 and 2013. Each participating organization had to have a minimum of one digital marketing platform deployed, and be spending a minimum of $1 million annually on digital campaigns. In addition, individual respondents had to be:

- Based in the United States
- Work in a marketing department or agency
- Personally use or be involved in the purchase decision for digital marketing platforms

The research was conducted by Illuminas Research, a third party market research firm. Respondents were not aware of Google's funding of this research.

2013 respondent distribution:

Annual Digital Marketing Spend (in millions)

41%
23%
18%
5%
12%

| $1 - $9.9m | $10 - 19.9m | $20 - 49.9m | $50m + | Not at liberty to release |

Company size (by # of employees)

16%
21%
24%
17%
22%
1%

| 1 - 49 | 50 - 249 | 250 - 999 | 1,000 - 2,499 | 2,500 + | Don't know / prefer not to say |