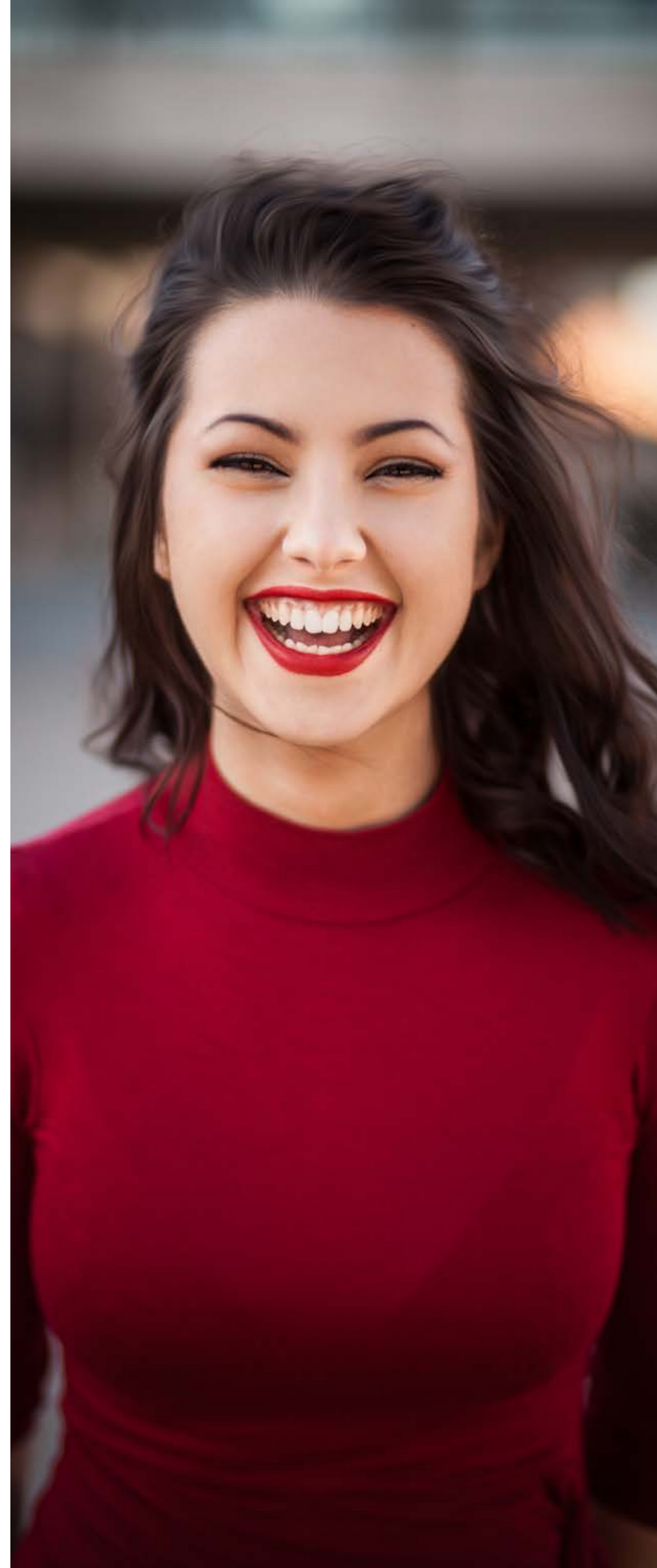


WHAT
MARKETERS
WANT:

Five Strategic Opportunities for 2018



Introduction

Growth in global ad spend is projected to reach \$757.44 billion by 2021 (eMarketer). As globalization continues to blur the lines between markets, new channels are introduced and regulations threaten to change core operational processes, it's time to understand the multiplicity of different marketers.

The marketer has grown from a siloed creative waiting on one mesmerizing eureka moment, to a digitally savvy data and analytics expert constantly managing customer expectations on and offline.

This report details the opinions of over 1,000 marketers from the US, UK, France, Germany and Asia-Pacific (APAC) regions to establish four distinct modern marketer profiles. In each case, it looks at changing priorities, the challenges we prioritize and how new technologies affect our decision-making processes.



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The Four Profiles



Exploring the global data, the preferences and behaviors of marketers across the world today, we observe professionals act in accordance with four core profiles: the Advancer, the Advocate, the Adapter and the Architect. Each are distinct not only by their workplace personas, but by geography and in some cases, the stage they have reached in their career.

- Advancers
- Advocate
- Adapter
- Architect



ADVANCERS

50% are 'Advancers' – priorities are exploring new marketing technologies and winning new authority for marketing within the organization.

Despite their tech savviness, Advancers tend to see their creativity as their best skill (38%). They are also most likely to pick out managing multiple channels as a strong suit (11%).

Advancers are most common in Singapore (68%) and the US (55%), while Germany sees the lowest level at only 41%.

From their team, Advancers want people with a stronger view of the customer journey (40%) and, of course, experience working with other technology platforms (45%). Always chasing new channels and outlets for their campaigns, Advancers are keenly aware of the threat posed by ad fraud and poor viewability (30%).

ADVOCATES

31% are 'Advocates' - influencer specialists, old school networkers, focused on relationships internally and externally.

Nearly a third (31%) of Advocates are under the age of 30. Having always operated in the digital realm where online networks rule, they are likely to focus on customer sensitivity (17%) and creativity (32%). This comes at the expense of budget optimization, which only 9% identify with.

The highest proportion of Advocate profiles exist in Australia (44%), where "people" networks are extremely important. Individualist and human approaches work best.

Advocates mirror Advancer desires closely, with 54% looking for greater creativity and 34% are looking to improve the view of the customer journey.

ADAPTERS

11% are 'Adapters' – attribution experts, interested in optimization, creating efficiencies and adapting creative.

Adapters have the greatest tendency to place customer sensitivity among their best skills (21%). They are also as likely as Architects (15%) to identify budget optimization as priority.

Just 10% of marketers under 45 align with the type, increasing to 15% among the over 45s, indicative of a generational difference in marketing approaches brought on by technology upending marketing during Adapters' professional lives.

Reflecting their confidence in managing marketing insights themselves, just a quarter (26%) of Adapters state ROI measurement and reporting skills are something they're looking to add to the team.

ARCHITECTS

8% are 'Architects' - occupied with where data originates and focused on compliance and regulation.

Architects are experienced data analysts and many pride themselves on this accordingly (23%). Just 16% of Architects are under 30 years old. By contrast, 43% are over the age of 45, again reflective of the generational difference.

Focused on the legality of marketing and accuracy of audience engagement, they are least likely to identify themselves as creative (16%). Working with legal issues and various forms of data, it follows that Architects look to bring on board skills related to working with other teams when hiring (42%).

As GDPR encroaches, the highest proportion of Architect profiles are in the UK (12%) and Germany (17%). The lowest level is in France (5%) the US (2%) and Australia (0%) – despite international brands all having to take GDPR seriously if they have European consumer data.

Five Areas of Attention

While these four distinct profiles offer us insight into the preferences and priorities of marketers across the world, the more compelling questions remain – how do we perceive the effectiveness of marketing today? How can we anticipate the preferences of the wider marketing department?

Over the next few pages, we explore the four marketer types we surveyed and their views on the greatest opportunities and fears for marketing in the year ahead.



1.

MY ADVERTISING DOLLARS ARE WASTED...

Waste is still prominent in marketing spend in 2018. According to our study, marketers estimate they waste 26% of their marketing budget on the wrong channels or strategies. Advocates exceed this figure by 2%, while Architects are only prepared to admit to wasting 18% of budget.

Despite the waste, 75% of marketers would switch ad spend from one platform to another for better reach. Just 36% chose better performance tracking, a vital element in establishing the mix of marketing channels that will turn the greatest return on investment.

GLOBAL PERSPECTIVE

- Marketers in the UK are the least worried about budget waste, estimating that just 20% of their budget is lost on the wrong channels or strategies
- This rises to 25% in Germany and 30% in France and the US, who surpass all other regions
- While globally, 36% of marketers perceive brand safety to be a major threat to marketing in 2018, just 7% place advanced brand safety tools as a reason to change platforms
- Nearly a third of Australian marketers (31%) would change platforms for better performance tracking, 21% less than their UK and US counterparts

OPPORTUNITIES

- Reach is still at the forefront of marketers' minds but could be a poisoned chalice if focused on at the detriment to quality and performance – know where and how your brand is being shown and know how activity and channels are performing
- Managing marketing budgets effectively comes down to rewarding publishers, formats and channels according to the role they played in the customer journey
- Attribution tools can identify what influence various channels and touchpoints had on the customer during their path to purchase



2.

GOING THE DISTANCE – GOING GLOBAL

For marketers across the globe, 2018 marks the start of a year in which the rising tide of borderless commerce represents a greater opportunity than focusing solely on the local shopper. In fact, just 48% of marketers placed the domestic market as a priority.

Interests in foreign markets are widely spread but Europe (42%) and Asia-Pacific (43%) top the list for marketers. This is closely followed by the US, which has drawn the focus of just over a third (36%) of investment interests.

Architects are most focused on their domestic market, with 56% expressing their marketing efforts are concentrated locally.

GLOBAL PERSPECTIVE

- 72% of marketers in France and 62% in Germany are most focused on the wider European market. This is significantly higher than their domestic focuses (42% and 51% respectively)
- French marketers also show the greatest tendency towards developing markets, with 11% stating Africa and 12% stating the Middle East is a focus area
- Australian brands look set to expand into Asia, with Singapore now marketers' top target market (25%)
- The UK market is top for a third of US marketers (33%), closely followed by France (31%) and Singapore (27%)

OPPORTUNITIES

- Prosperous consumers in Europe and APAC offer global brands high growth potential, as well as established markets such as the US
- For marketers in the UK, 2018 is a year to reach out to these audiences and make the most of a weaker pound
- Given the success of premium fashion brands, those looking to get ahead of Asia-Pacific market trends should target the luxury market



3.

SHORT-TERM FOCUS COULD MEAN LONG-TERM PAIN

Regardless of ad fraud, brand safety and GDPR all dominating the headlines, internationally the most pressing concerns for marketers in 2018 are more familiar short-term concerns including altered customer expectations (50%) and the loss of customers (43%). These are universally felt across all four marketer types.

Changing customer expectations governs the mindset of Adapters, who use insights and analytics to closely follow performance. While 57% of Adapters agree this is the greatest threat they face in 2018, it's notable that they are also concerned about proving the value of marketing (38%), suggesting waning faith in the metrics they are using.

To meet rising customer expectations, Advancers are resorting to new and exciting means of engaging audiences. 36% are actively looking to invest in voice and 28% are pursuing virtual reality (VR) solutions. In spite of its growing application, augmented reality receives support from just 22% of marketers – leaving it behind podcasts (24%).

GLOBAL PERSPECTIVE

- By country, France (39%) and Singapore (55%) are leading when it comes to VR investment, whereas just 19% of marketers in Germany and Australia are planning investment
- Marketers in these regions are also moving away from written marketing content, preferring image-led and voice campaigns
- US marketers lead in voice investment with 48% planning to direct budget towards these campaigns

OPPORTUNITIES

- Less of a focus on ad fraud, brand safety and GDPR indicates marketers may still feel protected from these areas which could cause them pain in the longer term
- It is vital all marketing partners show that they have the end customer prioritized, rather than simply volume and 'performance' metrics at the cost of all else



4.

VIDEO FOLLOWS INFLUENCER FOOTSTEPS

As marketers look to move away from purely written content, video has been following in the footsteps of influencer marketing in 2017, growing in popularity. 59% of marketers expressed it is the form of content they are most likely to invest in this year.

Advancers are of course largely in support of investment in video (65%). This being the case, it's interesting to see that Advocates perceive a clear role for video content in 2018 campaigns, with 56% planning investment in video content. This brings investment almost level with written content: email, blog and web campaigns.

GLOBAL VIDEO INVESTMENT



US : 68%



France : 58%



Singapore : 66%



UK : 56%



Australia : 61%



Germany : 47%

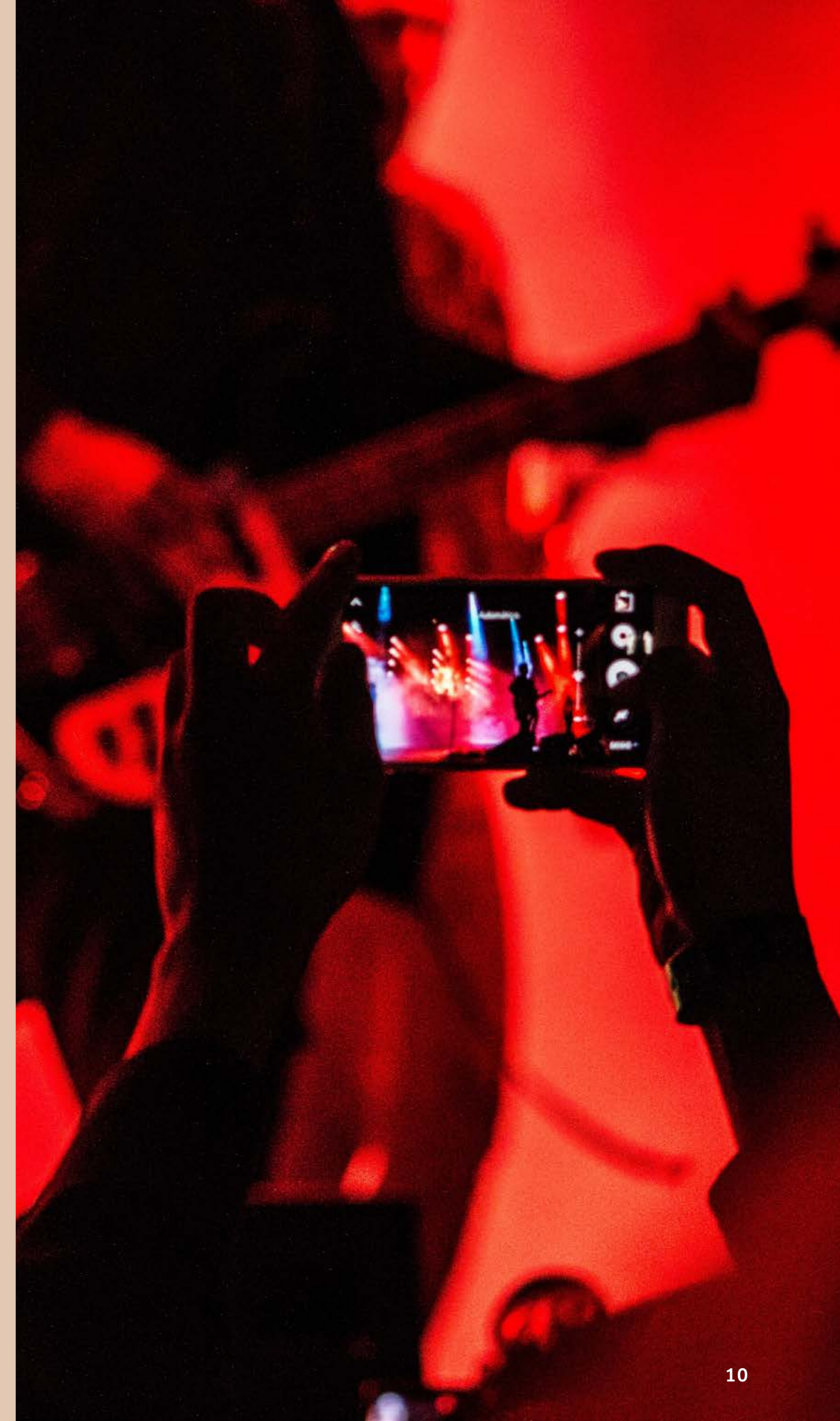
GLOBAL PERSPECTIVE

- Globally, marketers are only prepared to allocate 5.9% of budget towards influencer marketing campaigns. The highest area of investment is France at just 7.6%
- Most marketers admit they aren't entirely sure how influencer fees are calculated and many cannot tell whether a particular campaign drives sales

As their interest in video increases, Advocates are only prepared to allocate 5% of their marketing budget for 2018 to influencer marketing, where Facebook and YouTube celebrities propel brand messages to thousands of adoring fans. Measurement and optimization specialists, Adapters are surprisingly prepared to invest 7.5% of 2018 budget into influencer programs.

OPPORTUNITIES

- Interest in video formats is a good thing, but video could be the next great grey area for ROI. Marketers must have clear parameters for what they will include in measuring success
- Adding greater measurability is essential as more marketers dip their toes in influencer marketing
- Video medium allows for the characterization of a brand - customers want more storytelling and to feel less like they are being 'sold' to



5.

SEASONAL DOESN'T MEAN TRADITIONAL

Trends around seasonal marketing campaigns expose some interesting discrepancies between the marketer profiles. Unlike Advancers and Advocates, 68% of Adapters and 67% of Architects now state they keep marketing campaigns constant throughout the year instead of traditional peaks around big sales events.

While Christmas remains a bastion for marketers from the US (38%), France (44%) and Singapore (42%), only 13% of Adapters still see Mother's Day as a focal point and 12% are pinning campaigns on Valentine's Day.

Meanwhile non-Western sales periods, such as Chinese New Year and Singles' Day are picking-up traction, with 13% of Advocates and 14% of Advancers now actively prioritizing Singles' Day. This puts Eastern sales peaks just a few points behind the likes of Cyber Week (21%) and Prime Day (15%) when we look at all marketers' priorities.

GLOBAL PERSPECTIVE

- Marketers in the UK (56%), Germany (59%) and Australia (58%) are more likely to keep marketing campaigns constant throughout the year
- 16% of UK and 27% of US marketers state Cyber Week is still a key focus period while in France this increases to 36%
- Singles' Day 2017 saw online shoppers from at least 225 countries and regions spend more than \$25 billion across Alibaba's platforms – more than Black Friday and Cyber Monday combined
- 13% of UK and 15% of US marketers are now focused on Singles' Day, planning specific marketing campaigns for the occasion

OPPORTUNITIES

- High spend holidays such as Chinese New Year and Singles' Day are great opportunities for western marketers to engage global audiences
- But marketers must know the nuances - for example, Chinese New Year is far more focused on travel than retail, and Singles' Day is also Veteran's Day in the US
- Performance tracking of all global channels will be essential in leading successful campaigns with little to no budget wastage

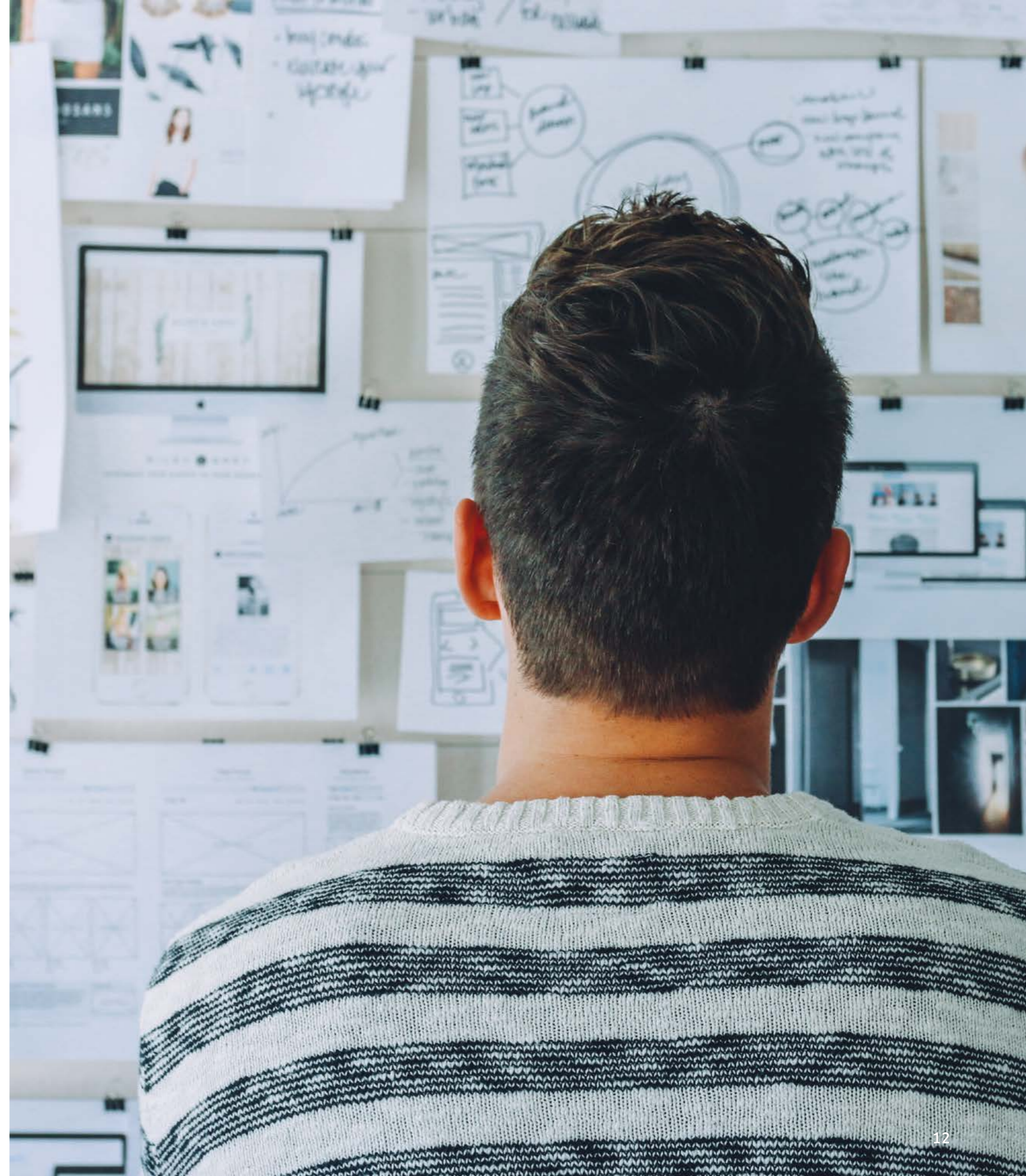


Conclusion

Today the role of the ‘marketer’ couldn’t be more diverse. Relied upon in many organizations to navigate the digital ecosystem and with so much on the horizon – voice, AI and VR to name just a few – it’s little surprise so many marketers have arrived into 2018 as Advancers.

Architects are one of the least well represented marketer types today. With important regulatory changes happening this year, it is crucial marketing departments have a representation that means the pursuit of new channels and technologies doesn’t come at the expense of paying attention to immediate needs.

For 2018, as more markets mature and commerce increasingly becomes borderless, the brands that are enabled to capitalize on new audiences quickest will succeed. You don’t need a multi-million dollar budget to achieve this, simply a clear view of the elements of your strategy that are delivering return on investment. Budget waste is still an issue in 2018, but one that balanced marketing teams focused on the global customer can mitigate.



About Rakuten Marketing

Rakuten Marketing is the global leader in integrated marketing solutions, spanning affiliate, display and search. Rakuten Marketing empowers marketers to achieve the full potential of digital marketing by delivering data-driven personalized ad experiences that engage consumers – across screens, platforms and traditional publishers – and influence them to purchase.

Rakuten Marketing is committed to transparency, providing consumer journey insights that are used to continually optimize for performance.

Rakuten Marketing is a division of Rakuten Inc. (4755: TOKYO), one of the world's leading Internet service companies.

The company is headquartered in San Mateo, California, with offices in Australia, Brazil, Japan, the United Kingdom, France, Germany, Singapore and throughout the United States.





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