The marketing and advertising arena is evolving fast. Today’s marketers must coordinate highly fragmented audiences across hundreds of channels, using a variety of digital technologies and media to influence smaller and smaller groups. New marketing technologies now provide an unprecedented level of data to marketers. Digital has created enormous opportunity, but also a complex juggling act of talent, resources, and timelines needed to meet customers’ growing expectations.

To understand this evolving state of marketing, Deloitte Digital conducted a study of social content, evaluating 582,393 articles, studies, tweets, and blog posts. Analysts reviewed quantitative and qualitative data to determine the trends and challenges that were discussed. The study sought to understand marketers’ top-of-mind concerns and how traditional marketers and agencies are responding.
THROUGH OUR DATA ANALYSIS, WE UNCOVERED FOUR KEY MARKETING DISCUSSION TRENDS:

1. **Marketing technology** — *Data-driven technology is disrupting how marketers do their jobs*: The technology platforms needed to deliver innovative customer experiences are in high demand from clients, but often outside of the scope of work for traditional marketing and advertising agencies.

2. **Creative and strategic talent** — *Demands are tougher on marketers to stay innovative and creative*: There is a premium on marketing talent that can envision campaigns to capture customer attention across multiple channels. Marketers also need to make sure the right systems are in place to capture metrics from customer activities to tie them to larger business strategies and goals.

3. **Brand-customer interactions** — *Customers desire a two-way conversation with brands, yet brands struggle to deliver*: Digital technologies have created a two-way conversation between customers and brands, and the customer’s voice needs to be part of creating compelling experiences.

4. **Agency-client partnerships** — *Agencies and their partners are evolving their relationships*: New dynamics in the marketplace are shifting the traditional client-agency relationship. Marketing leaders are challenged to rethink the mix of talent and technology they employ in-house, as well as what they really want out of their vendor and agency partnerships.

The bottom line is that to manage the vast changes in both technology and customer expectations, marketing skillsets are being forced to evolve. Expertise in data and specific technologies are now required to execute successful marketing programs.

**Key Marketing & Advertising Trends in Social Media**

August 2014 - August 2015

Percentages based on volume of 582,393
Marketers must learn how to reach outside of their traditional domains into arenas like customer service and support. These four key trends are forcing marketing executives to keep up and adapt their approach on utilizing customers, tools, and other departments, e.g., sales and operations.

1. DATA-DRIVEN TECHNOLOGY IS DISRUPTING HOW MARKETERS DO THEIR JOBS

Advanced marketing software is becoming an increasingly important tool to marketers. The proliferation of customer devices—mobile phones, laptops, fitness trackers—has helped create and capture vast amounts of customer data. Combined with improved data collection and analysis software, these numerous data sources and aggregators are creating unprecedented opportunities for marketers. A study from Gartner indicates that a key competitive advantage will come from competently integrating technologies to execute and respond effectively to the plethora of customer data being created.¹

Data-driven technology plays into all aspects of how marketing is performed, from influencing strategy to impacting day-to-day operations and execution. Marketers recognize that this increase in data-driven marketing means an enormous shift in the kinds of skills their teams need to succeed. Marketers who were once focused on developing traditional, creative campaigns for a general audience are now able to tailor their offers and information to small groups or specific individuals on a variety of devices. Marketing executives are shifting budgets in response to this evolution; according to a study by Mondo, 80 percent of companies planned to increase their digital marketing budgets in 2015 and early 2016.²

Marketing executives have a huge opportunity to organize and execute on the vast swath of customer and performance data now available.

With the role that data now plays in day-to-day marketing activities and the growing need for integration from multiple data sources across internal business functions, companies are finding they

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¹. Mike McGuire, Hype cycle for digital marketing, July 17, 2015, Gartner, pg. 1.
need partners who can help them integrate multiple data sources. Clients most value an agency’s expertise in emerging cultural and digital trends that can help them stay on top of delivering great experiences across numerous devices.3 Unfortunately, the majority of agencies feel they need to improve their proficiencies in marketing software.4

**2. DEMANDS ARE TOUGHER ON MARKETERS TO STAY INNOVATIVE AND CREATIVE**

An influx of digital customer data has placed new pressures on creative and marketing. Having access to customer data is one part of the equation, but executing on the data to provide strategic insight and creative campaigns is proving to be more challenging. Now marketers are frequently expected to connect their marketing to data-based insights and demonstrate ROI. Companies want to know exactly what data agencies are using to track performance, which often results into scrutiny of how marketing dollars are spent.

Marketers feel they are struggling to stay innovative and creative in this environment.5 Yet companies still greatly value these skills. They agree that marketing creativity is the second most valuable area of expertise. In fact, two of the three top reasons that companies fired marketing partners were lack of innovation and uninspiring creative work.6

*Data and tools to deliver impactful marketing campaigns exist, but finding talent with the ability to execute on a vision using these tools is a challenge.*

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4. Ibid.
Added pressure to innovate and demonstrate marketing ROI is leading agencies and their partners to work harder to attract and retain top creative talent at all levels. Marketers that can execute on creative and strategic campaigns that both stem from and create data are in high demand. Along with, or perhaps because of this stiff competition for talent, there is an extremely high rate of turnover for marketers. The average time a digital marketer spends in one role is 12-18 months; the average tenure for a chief marketing officer is also relatively short, at only 48 months.7

3. CUSTOMERS DESIRE A TWO-WAY CONVERSATION WITH BRANDS, YET BRANDS STRUGGLE TO DELIVER

Customers now expect a dialogue with brands; they want brands to listen when they provide opinions through digital channels. Customer data is expanding at an exponential rate. Companies pull customer data from a variety of resources ranging from product research to website user data and peer recommendations. Marketers are accelerating personalization efforts and creating data-driven customer experiences based on the vast quantity of data available to them; now they can ascertain when customers are actually in-store and respond with the right message and offer. The power of customer data has grown so quickly that Gartner predicted that over the next three years 60 percent of digital commerce analytics investments would be spent on customer journey analytics.8 The wealth of customer data will likely only increase; for example, eMarketer predicts that in 2016, two billion customers worldwide will own smartphones.9

However, even when the right technology is in place to generate usable customer and campaign performance data, marketing leaders say their teams struggle to translate it into actionable insights.

“Not just advertising. Not just TV. Not just digital. It’s about connected customer experiences.”10

Finding the talent to execute each step—from strategy and insights, to technology and creative—is a major challenge to overcome. Companies say that to meet their ambitious business goals they need help leveraging state-of-the-art technology, deep industry expertise, and customer insights to develop effective and differentiating customer journeys.

**As customers grow more accustomed to sharing their data with brands and expectant of getting something in return, marketing executives are looking for ways to not only capture but execute on customer data.**

4. **AGENCIES AND THEIR PARTNERS ARE EVOLVING THEIR RELATIONSHIPS**

Marketers have the ability and expectations to incorporate customer data and feedback into campaign strategy and execution. They can now measure channel performance using new digital marketing technologies, all while streamlining and cutting costs. This has marketers on both the client-side and within agencies discussing and questioning how best to leverage agency and partner relationships. These relationships are already changing and evolving into a new system. Many agency marketers feel they do not have the right skills and resources to execute on highly complex deliverables—the very challenges that their clients needed the most help with.¹⁰

12% of brands had four or more digital shops on their roster in 2015. This is compared to 21% in 2014.⁵

As a result, client-side marketers are broadening their skillsets, and reaching out beyond the traditional marketing silos to change the demands and relationships of their marketing partners.

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This maturation process is leading companies to 1) streamline their agency partners and 2) build more capabilities in-house.\textsuperscript{11}

1. **Streamlining partners**: Companies that have recently chosen to hire fewer agencies did so mostly to reduce overhead. Client-side marketers also tend to prefer working with fewer agencies to make project management easier.

2. **Building in-house**: Organizations are shifting money to build new capabilities in-house, from creative to data analysis, to create closer connections to customers and a stronger ability to derive insights.\textsuperscript{12} Companies are also bringing marketing capabilities in-house for security against breaches of customer data or proprietary knowledge that could aid their competitors.

In response to demand, agencies are moving away from only campaign- or communications-based functions and toward more expansive roles that include always-on content, user experience, customer experience, and ecommerce. Many large consulting organizations are responding to this outside pressure by acquiring specialist agencies to complete end-to-end marketing projects and address large organizations’ desires to streamline processes.\textsuperscript{13}

**In response to new capability needs and changing customer demands, marketing leaders need to shift the way they think about and work with their partners.**

**THE FUTURE OF MARKETING**

For the first time in the history of marketing, the promise of delivering on the eternal quest for “right message, right person, and right time” is within reach. In the past, it has been near impossible to directly measure the effects of marketing. To capitalize on this opportunity, marketers take note of the critical trends mentioned here and adapt the way they think about their marketing programs, partners, and customers.

New data-driven technologies are enabling marketers in new ways. Marketers now have more data than ever before on reach, frequency, ROI, audience, and targeting. Marketing executives should recognize the disruption caused by these new technologies, learn new skills, and adjust their management strategies and processes accordingly.

\textsuperscript{11} Ibid
\textsuperscript{13} David Aponovich, Stephen Powers, and Steven Kesler, Big consulting firms stake their claim in the digital experience gold rush, Forrester, May 21, 2015.
New marketing technologies also influence the way they strategize and engage with consumers. New technology-produced customer data is driving innovation but also creating a gold rush for creative and strategic talent. Few marketers have teams that can utilize the information from these technologies and produce meaningful campaigns. CMOs who can hire, support, and retain creative talent will be ahead of their competition.

As an added complexity, customers want to control their engagement with marketers and brands. Now more than ever, CMOs must focus on fostering meaningful relationships with their customers. CMOs must enable customers to provide input into their brand experiences. To accomplish this, marketing executives need to consider the full customer life cycle, work outside traditional organizational silos, and engage cross-functional partners to focus on elements such as customer service, operations, or web design.

Marketing executives who want to realize agencies’ full potential must learn to create partnerships that help them connect to their audiences across channels. CMOs will need partners who understand their goals and can define a strategy, analyze customer insights, create compelling content, and execute a plan. This brave new world of data-driven marketing is forcing changes in the agency-client relationship. Agencies are expected to partner with their clients to not just assist them but to work hand-in-hand with them to build their businesses. They also must have the “know-how” to integrate data, marrying disparate front- and back-end enterprise systems. By developing a closer, more streamlined relationship with their marketing partners, CMOs can deliver more seamless customer experiences and stay relevant in an increasingly message-saturated world.

The trends uncovered in this analysis confirm that the altering marketing landscape is changing, in significant ways. Marketing as a whole is evolving quickly. Marketing leaders must adapt their organizations’ capabilities and modes of operation in response or risk being left behind the pack.
RESEARCH METHODOLOGY

Deloitte Digital research analysts executed a qualitative and quantitative approach to the information for this report.

First, research analysts conducted qualitative analysis to inform their research process. Second, they developed Boolean queries and entered them into social listening tools to collect the full online content related to the various types of marketing agencies in the past year.

The online queries of all marketing and advertising agency posts collected approximately 1,744,380 pieces of English content from news websites, Twitter, blogs, and forums. Analysts removed promotional posts to focus on the content regarding trends in the marketing landscape. This left 582,393 posts, which were further mined to identify and quantify themes and audiences. They searched for marketplace trends and marketers’ challenges which led to the identification of four key trends that CMOs should pay attention to in order to succeed.