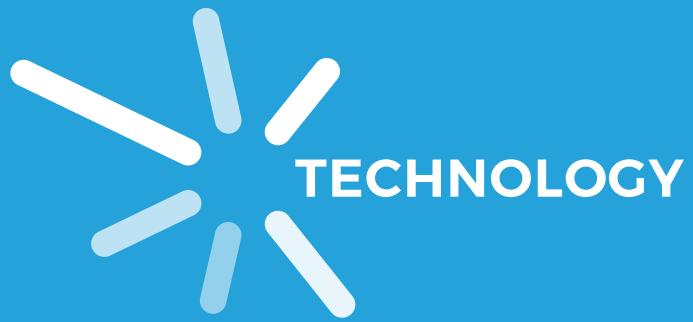




ID Comms 2017

Global Media Technology Report

ID COMMS



Executive Summary:

In September 2017, ID Comms conducted the sixth in a series of investigations into the seven critical media behaviours of successful marketers. 229 Marketing, Media and Procurement professionals from both client and agency backgrounds responded to the survey, and provided the following insights:

- 75% of respondents agree with the statement "The most successful advertisers understand the impact of marketing technology on their business and have a clear strategy for ensuring it adds value rather than complexity."
- Advertisers and agency respondents agree that Specialist Technology Consultants are trusted most to advise advertisers on technology solutions
- None of the advertisers and agency respondents believe advertisers have a full understanding of how each technology platform contributes to the value chain and serves specific business and media goals
- 83% of advertisers agree that their inability to keep up with the rapid evolution of technology makes them over dependent on solutions provided by agencies
- Only 15% of advertisers believe they are using media technology effectively

About this report:

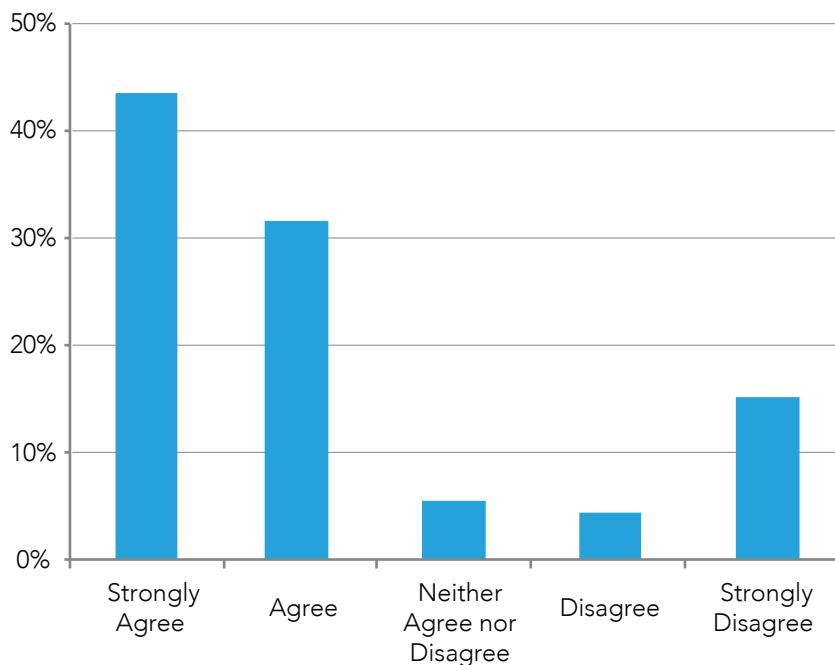
The ID Comms 2017 Global Media Technology Survey is the sixth in a series of ID Comms investigations into the seven critical media behaviours of successful marketers. ID Comms conducted this research between 5 September and 22 September 2017, and received 229 responses. The respondents were comprised of Marketing, Media and Procurement professionals with a range of global, regional and local market responsibilities. 77% were Europe-based, 11% were from the US and the remainder representing the rest of the world.

Media, marketing and procurement respondents to this survey represent a wide variety of brands in diverse categories including FMCG/CPG, retail, pharmaceutical, food and drink, technology, aerospace, entertainment, automotive, luxury, finance, logistics, energy and telecommunications, with a combined global media investment in excess of \$40bn.

All major media agency holding-groups and some independent media agencies are represented by the participants of this survey.

QUESTION 1

75% of respondents "strongly agree" or "agree" with the statement "The most successful advertisers understand the impact of marketing technology on their business and have a clear strategy for ensuring it adds value rather than complexity."



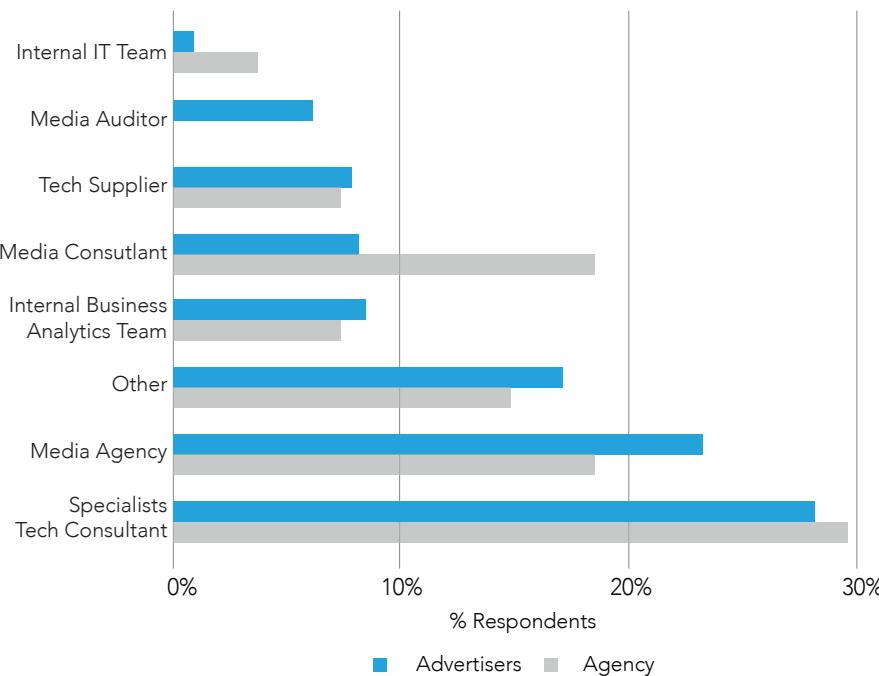
Respondents were asked: To what extent do you agree with the following statement: "The most successful advertisers understand the impact of marketing technology on their business and have a clear strategy for ensuring it adds value rather than complexity."

Marketing and agency respondents agree equally that successful advertisers consider technology as a means to driving business growth. "We have the potential to create a golden age of accountability for marketing investment but it can only be exploited through marketing automation" (Agency Respondent). Several respondents perceived an increased understanding of the impact of marketing technology on business performance, however, most advertisers do not have a clear strategy. "I don't believe any marketer truly understands the precise impact of marketing technology on their business, primarily because marketing technology continues to evolve at a very rapid pace" (Trade Association Respondent).

One consultant respondent also stressed the importance of understanding the purpose and business impact of technology; "Marketers and their agencies tend to default to technology as the new shiny thing, often without any consideration around why this will help, what the objectives are, how best to leverage and what success will look like. My concern is not about using/ not using, it's about knowing the purpose and how it will actively contribute to business building" (Consultant Respondent).

QUESTION 2

Advertisers and agencies agree that specialist Technology Consultants are trusted the most to advise advertisers on technology solutions.



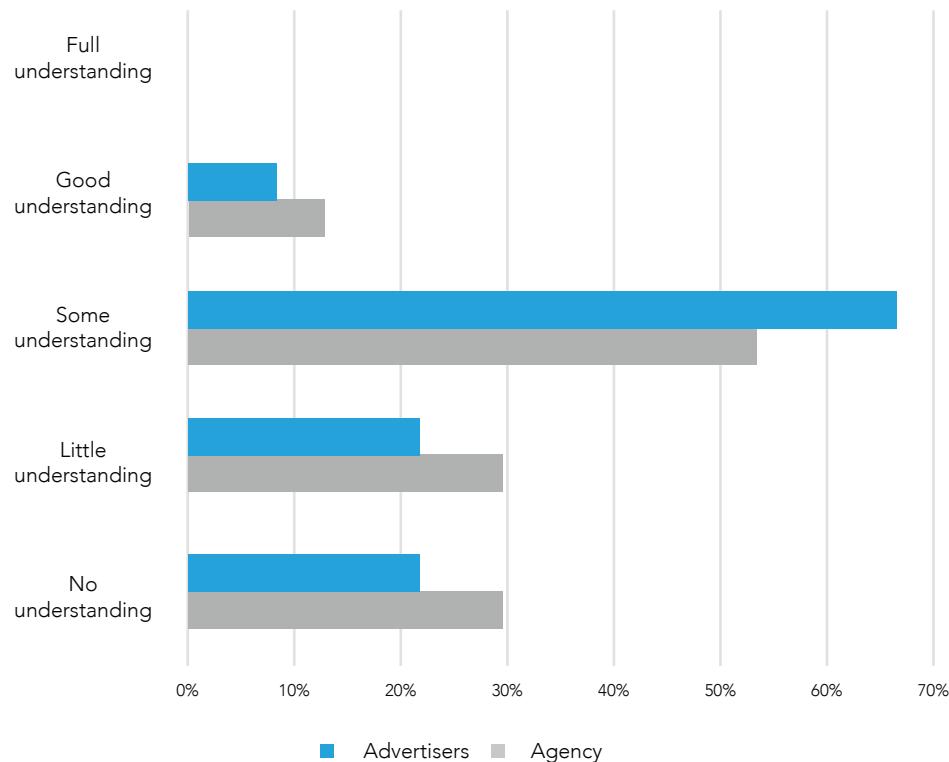
Both agency and advertisers agreed that specialist technology consultants are trusted the most to advise advertisers on technology solutions. Advertisers also highlighted media agencies, whilst agency respondents highlighted management consultants as amongst the most trusted to advise.

Across all respondent groups there was strong sentiment that advice in this field should not be limited to one party, suggesting a multi-advisor, matrix decision making between marketing, media agency, technology consultants and internal IT teams. "A combination of internal resources, specialists and the media agencies allow us to make the most informed decisions. One advisor is not sufficient and any decision for a supplier will need to be reviewed every 12 months at most given the speed of development" (Advertiser Respondent).

Respondents were asked: Who do advertisers most trust to advise them on what technology to use and how to deploy it within marketing?

QUESTION 3

None of the advertisers and agency respondents believe advertisers have a full understanding of how each technology platform contributes to the value chain and serves specific business and media goals.

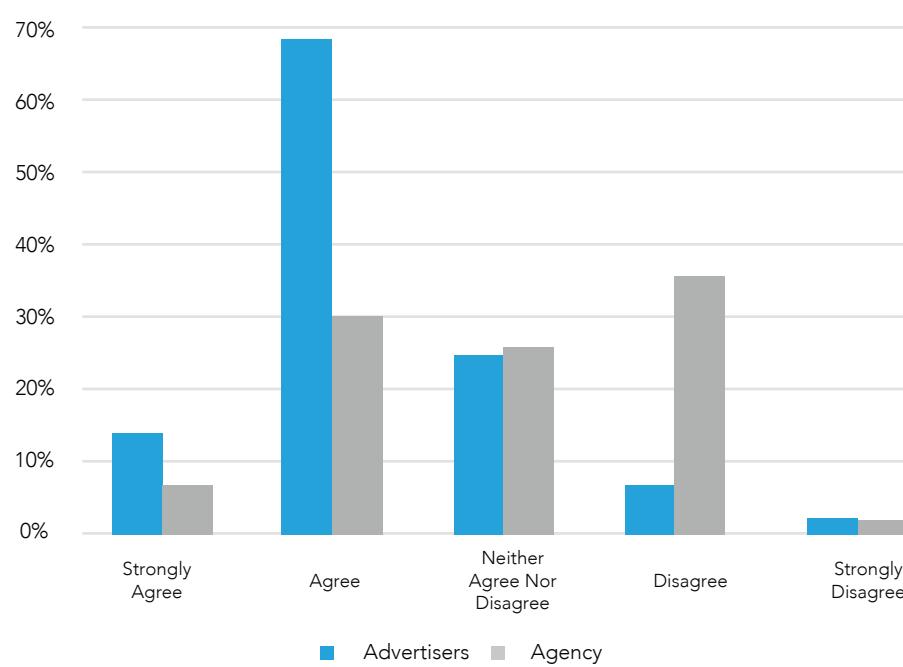


No respondents rated advertisers as having a "full understanding" of the contribution of technology to the value chain or wider business and media goals. Advertisers have an overall appreciation of the value from the marketing stack, but not enough understanding of the individual technology platforms, their purpose and the value they bring. There are also concerns about the concentration of technology capabilities within brands.

"The specific specialist within the client probably has a good understanding, but has not enough [access] to the person that matters (CMO or marketing director). They sadly have little understanding. So there is know how, but not always in the right places" (Vendor Respondent).

QUESTION 4

83% of advertisers agree that their inability to keep up with the rapid evolution of technology landscape makes them over dependent on solutions provided by agencies.



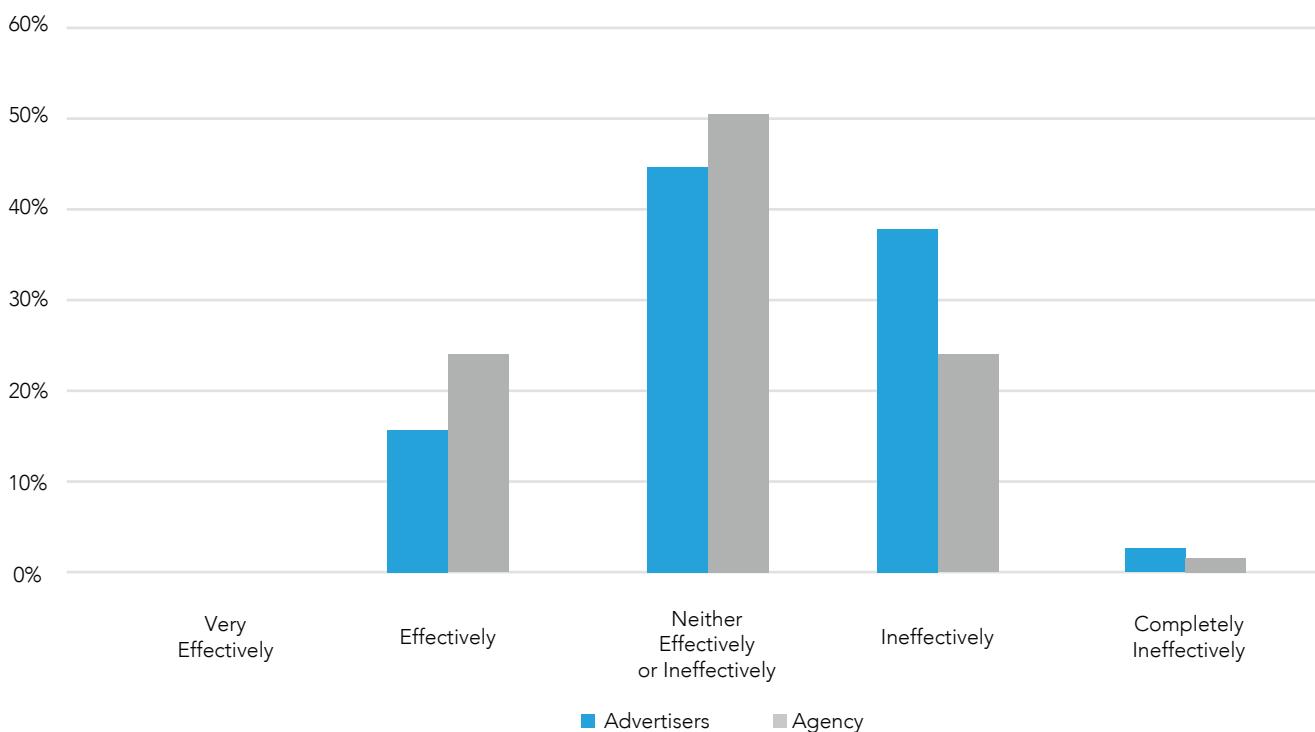
The majority of advertisers admit they are perhaps too reliant on their agencies for advice. However, only 37% of agency respondents agree. One agency respondent commented that advertisers' "Trust of agencies is diminishing. Some are aware their agencies have their own interests at heart" (Agency Respondent).

"Advertisers need to gain a full perspective from agencies, technology partners and their own IT. It all needs to come together against a clear strategy and balanced in terms of how it fits within existing client IT ecosystems in both the short and longer term. All advertisers (like all agencies) struggle to get the systems to work together in efficient and effective ways and to be flexible enough to easily adapt to changes" (Consultant Respondent).

Respondents were asked: To what extent do you agree with the following statement: "Advertisers' inability to keep up with the rapid evolution of the technology landscape makes them overdependent on solutions provided by their agency."

QUESTION 5

Only 15% of advertisers believe they are using media technology effectively.



Respondents were asked: To what extent are advertisers utilising media technology at their disposal effectively?

More advertisers (38%) than agency respondents (24%) believe advertisers are utilising technology ineffectively. "I think there is still a long way to go for advertisers to truly use media technology effectively. At present we are probably collecting an ad tech stack but not really spending sufficient time to interrogate and optimise the outputs" (Advertiser Respondent).

However, some agency respondents believe "Both advertisers and agencies have the tendency to put the technology cart before the creative horse. This, perhaps, could be a result of being pushed to use 'technology in an innovative way'. This is further driven by short-termism and the promise that media technology will deliver zero waste, a tremendous ROI, and full attribution of media spend" (Agency Respondent). The large proportion of respondents answering "Neither Effectively" or "Ineffectively" is genuinely due to variations in advertisers' use of technology.

The findings of this report show that there is a strong belief and understanding of the positive impact technology will make to marketing performance, but the market is complex and marketers acknowledge they need help to fully exploit this opportunity.

Looking ahead, we expect marketers to seek more input and advice from across the industry and raise knowledge and capabilities around media technology within their own organisations. We are confident that marketers will adopt a "test and learn" approach and take gradual steps to see what adds value to their marketing operations.

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About ID Comms:

ID Comms is a strategic media consulting company, founded in 2009. We act as trusted media partners to the world's leading advertisers, helping them to navigate the complexities of the changing media landscape.

ID Comms provides independent, expert consulting to brands around the world and works closely with marketing and procurement teams to design and implement change needed to radically improve a company's media performance.

In 2016 we launched the 7Ts™, a strategic framework empowering brands to realise competitive advantage in media by identifying the core 7 behaviours of successful marketers.

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