INTERACTIVE
MARKETING
ASSOCIATION
ALLIANCE

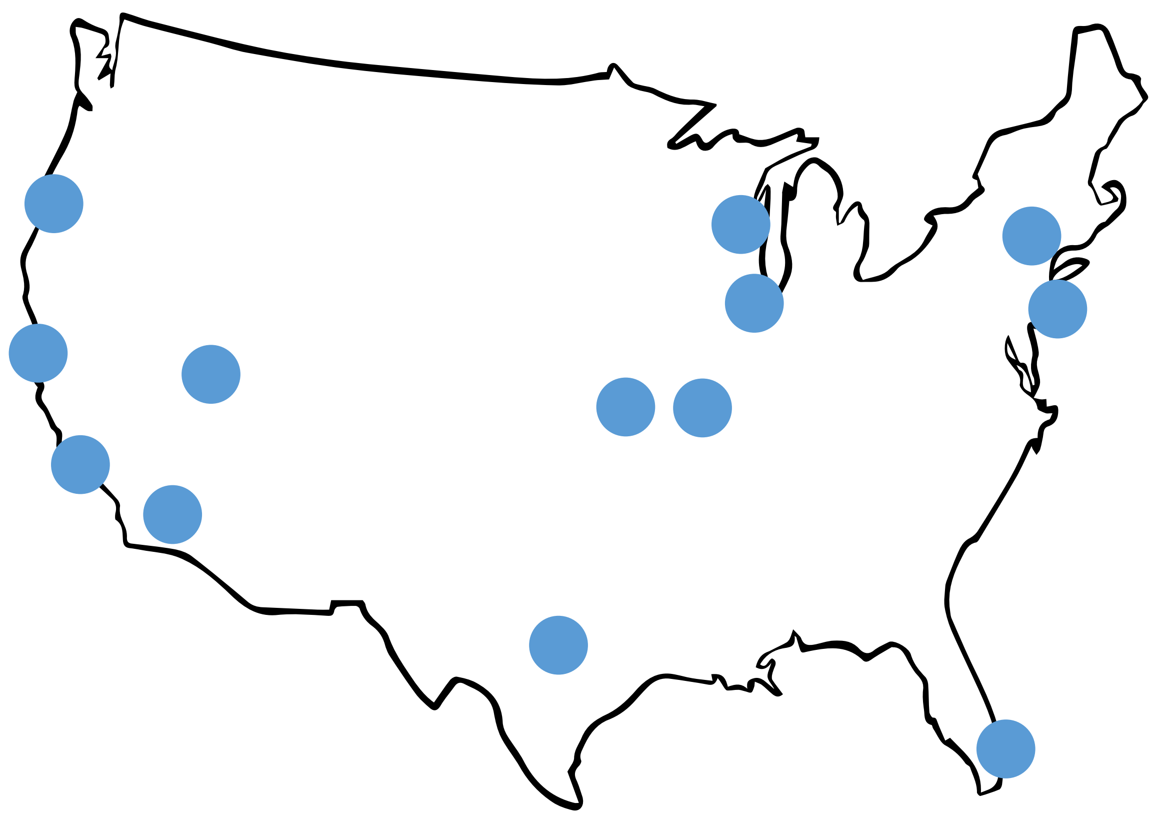
The State of Digital Marketing Industry Relationships

Outlook for 2017

RESEARCH OBJECTIVES

- Provide relevant insight into key elements of the digital marketing industry
- Assess the state of relationships between leading agencies, brand marketers and media/technology solutions providers
- Understand how media and technology priorities are changing
- Benchmark the value, strengths and opportunity areas of local interactive marketing associations and other local professional marketing associations that participate in the study

Map of Participating Organizations



A Truly National Survey

Respondents by Region	EAST	WEST
	47%	53%
By Market Size	MAJOR MARKETS*	EMERGING MARKETS
	52%	48%

* NYC, Chicago, LA, San Francisco, Las Vegas

The Research By the Numbers

Total respondents:	917
Participating marketing associations:	15
Survey dates:	June 15-September 15, 2016
Primary recruiting methods:	Emails, social media posts, announcements at events
Incentive:	No incentive was offered

Definitions of Our Surveyed Groups

Advertising Agencies/Marketing Consultants: People who work for companies that provide an outside point-of-view to brand marketers, including strategic and executional services.

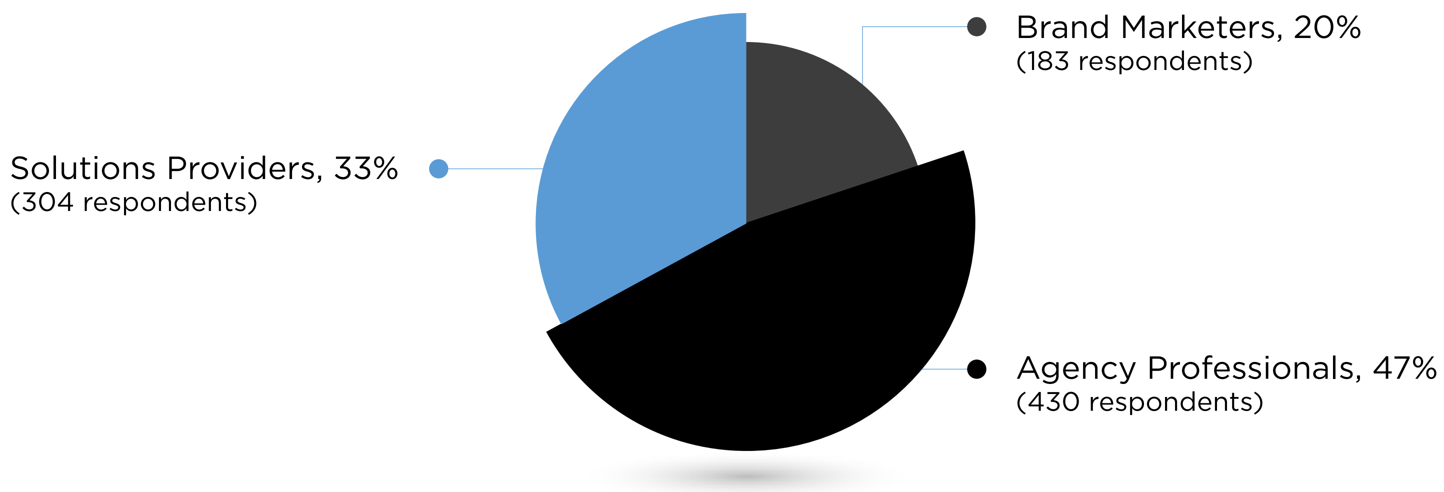
Brand Marketers: People who work for companies (other than marketing services companies like technology/media solutions providers) who sell products and services to consumers and other businesses.

Technology/Media Solutions Provider Teams: People that work for companies that sell marketing-related products and services to brands and agencies. Examples include data management platforms (DMPs), demand side platforms (DSPs), ad servers, marketing automation platforms, ad networks and publishers.

Distribution of Responses

Agencies represent about half of our respondents, but samples for Brands and Solutions Providers are also robust

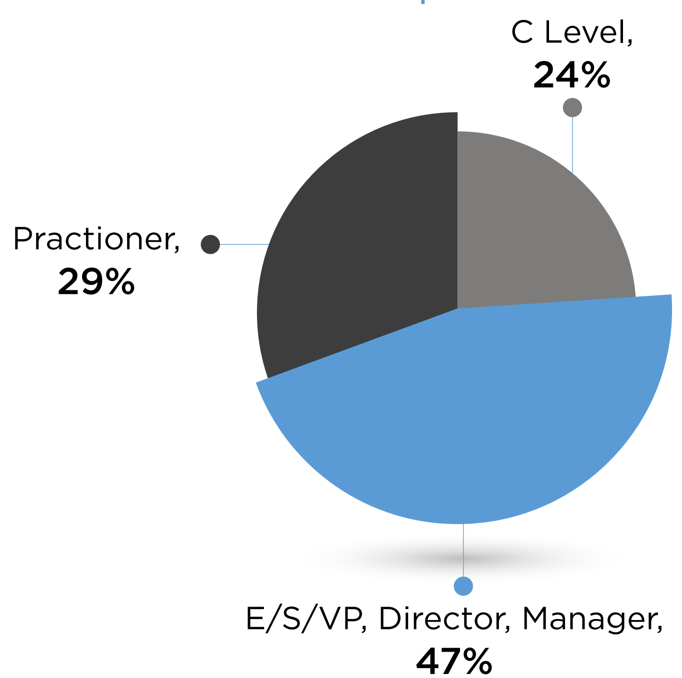
Respondents by Type



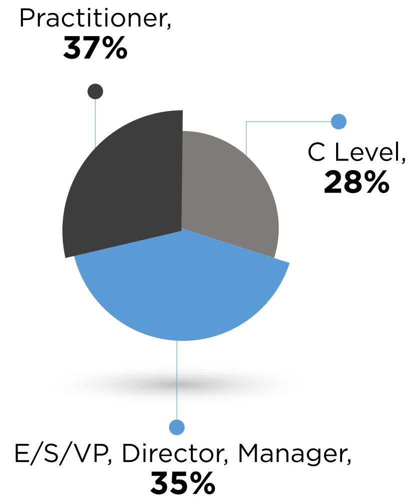
Levels in their Organizations

Broad cross-section of levels represented in our respondent sample

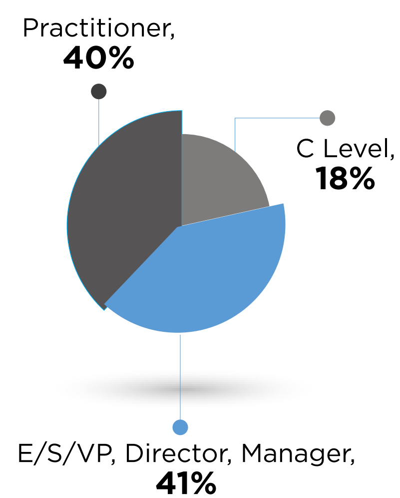
Total Sample



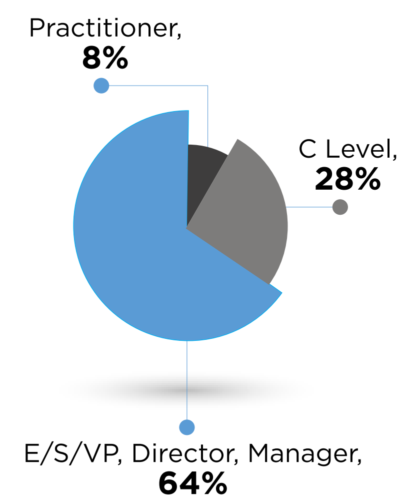
Agencies



Brands



Solutions Providers



Title Distribution of Solutions Provider Respondents

Not surprisingly, Solutions Provider respondents skewed to client-facing roles, including senior management, sales, marketing and account management

Senior (General) Management	13%
Sales	62%
Marketing	9%
Account Management	7%
Technology/Engineering	3%
Partner Development	3%
Other	2%
Ad Operations/Traffic	1%

Title Distribution of Agency Professionals Respondents

“High value” media decision makers and client-facing roles like account management dominate in our respondent sample

Senior Management	18%
Media Department	35%
Account/Product Management	23%
Strategy/Planning	9%
Consultant	7%
Creative/Engineering	5%
Ad Operations/Traffic	2%
HR/Accounting/AP/AR	1%

Title Distribution of Brand Professionals Respondents

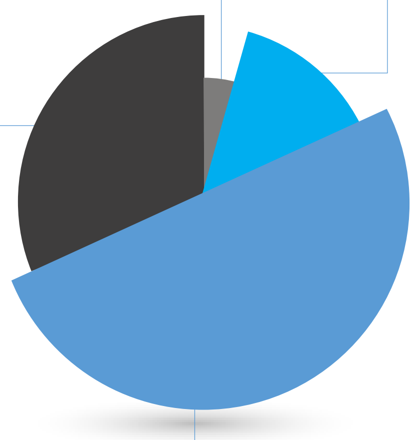
Marketing Managers/Directors represent more than half of our sample

CMO, E/S/VP	11%
Marketing Director/Manager	53%
ABM	30%
Other	5%

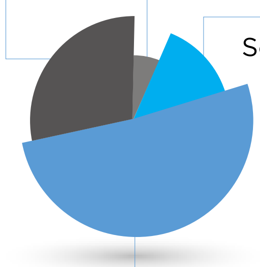
Decision-Making Authority

Vast majority have significant decision making authority in either making or formulating proposals for purchases

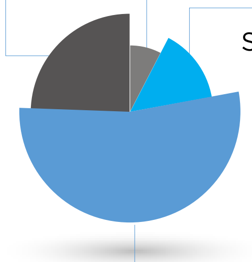
Total Sample



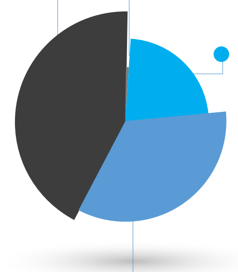
Agencies



Brands



Solutions Providers



Years of experience in digital marketing

More than half of respondents had 3-10 years of experience in digital.

	Total Sample	Agency Professionals	Brand Marketers	Solutions Providers
<1 Year	5%	5%	5%	5%
1-2 Years	11%	12%	8%	12%
3-5 Years	25%	27%	21%	27%
6-10 Years	27%	24%	34%	24%
11-15 Years	14%	14%	16%	14%
16+ Years	18%	18%	16%	17%

Notes on the Comparative Results

- We asked similar questions to all groups, worded slightly differently to respondent perspective
- For example:
  - Brands: My agency plays an important strategic role on my business.
  - Agencies: Our agency plays…
  - Solution Providers: The agency(s) I work with play…
- To simplify charts, we have shown the questions as they were asked to Brands only

RESULTS SUMMARY

Results Summary

- **According to our respondents, Agency and Brand relationships are in good shape**
  - Brand report that they respect the strategic and executional contributions of their agencies
  - Agency teams are generally rated as smart and focused on the best interests of the brands
  - Trust of Agency teams is at fairly high levels among Brand Marketers

- **Brand generally agree that they get good value from Agencies for fees paid**
  - Good finding given the more-than-a-decade-push for lower agency fees

- **Agencies generally rate their clients high on partnership**
  - Most believe that their marketer counterparts treat them as partners
  - Most think their clients accept their recommendations most of the time
  - Brands, incidentally, report that they accept Agency recommendations less than the Agencies say they do

Results Summary

- **There is significant room to improve Brand-Agency relationships, however**
  - Large majority of Brand Marketers Somewhat (versus Strongly) Agree with the assertions outlined above
  - One qualitative finding – the more time Brands spend with their Agencies, the more likely they are to respect their people and contributions
  - Nevertheless, we were heartened by the overall positive ratings

- **Solutions Providers tend to be positive, though significantly less positive, about their relationships with Agencies**
  - Overall assessments of Agencies are fairly positive, though scores almost universally lower than those from Brand Marketers
  - RFP process in particular criticized

- **Brands and Agencies well aware that Solutions Providers are increasingly interested in "going direct" – creating direct relationships with Brands**
  - Agencies strongly dislike this trend. They believe their relationships with Brands are threatened when Solutions Providers go direct.
  - Brands in general welcome direct relationships though some Brand Marketers clearly prefer arms-length relationships

Results Summary

Agencies and Brands have strong opinions about which media will take a larger share of their spend in the next year

- Social, Mobile, Video, Data Analytics, Branded Experiences and Programmatic are all expected to grow rapidly
- Solid growth also expected for Native Advertising and Website Development
- Always the leading category as far as share of spend, Search investment is expected to continue to grow
- PC Display, Regional Ads, and investment in Branded Apps largely expected to hold their own over the next 12 months

Results Summary

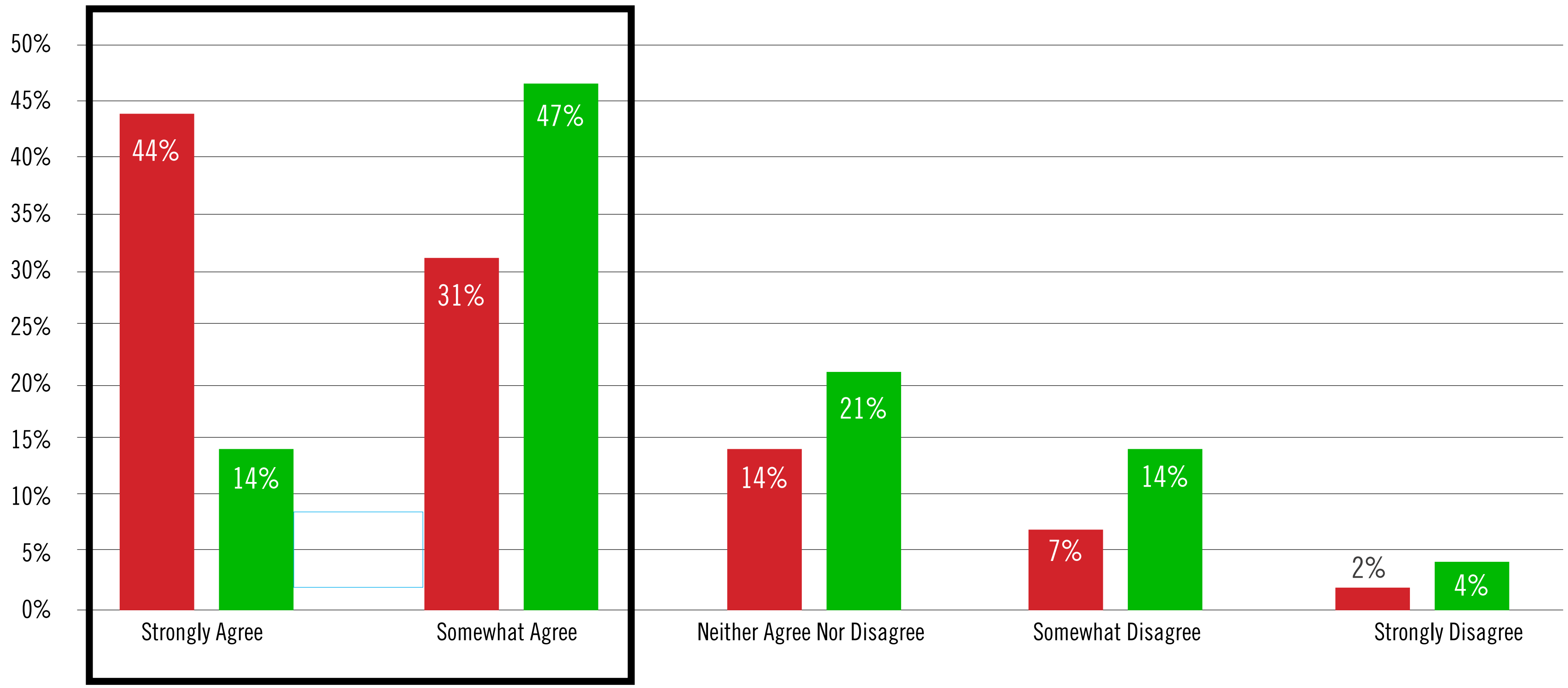
- **All groups, but especially Brand Marketers recognize the value of local marketing associations**
  - Most say the groups play an important role in bringing the digital community together
  - Most Brand and Agency leaders say they have learned something as a result of local marketing association events
  - Many say they are likely to give greater consideration to those companies that sponsor local marketing associations if their solutions are relevant to their brands' needs
  - Many say they have considered marketing solutions of Solutions Provider sponsors and large pluralities say they have made purchases from sponsors
- **Brands and Agencies are most interested in more opportunities for education and learning from the local marketing associations they patronize**
  - "Buyer" attendees hungry for new info/best practices
  - Both Brands and Agencies would also like to see more Brand-side representation at events
  - Sellers also interested in education/ideas, but more interested in getting more buyers to come to events, especially Brand-side Marketers

PERCEPTIONS ABOUT AGENCIES IN GENERAL

75% of Brands and 61% of Solutions Providers say Agencies play an important strategic role for brands

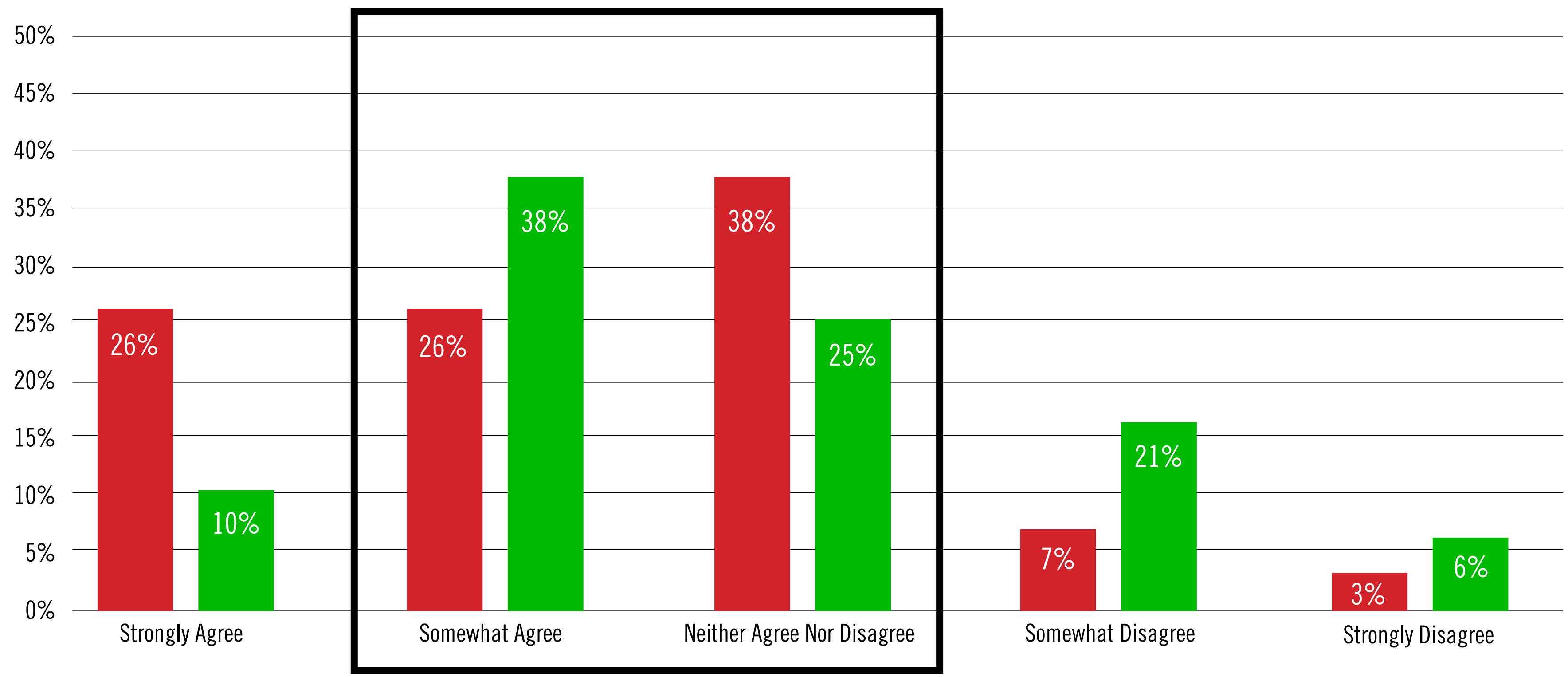
- **Brands tend to Strongly Agree. Solutions Providers tend to Somewhat Agree**

"Agencies play a critical role in defining the strategic direction for most brands."



Fewer Brands and Solutions Providers credit Agencies with being consistently strategic

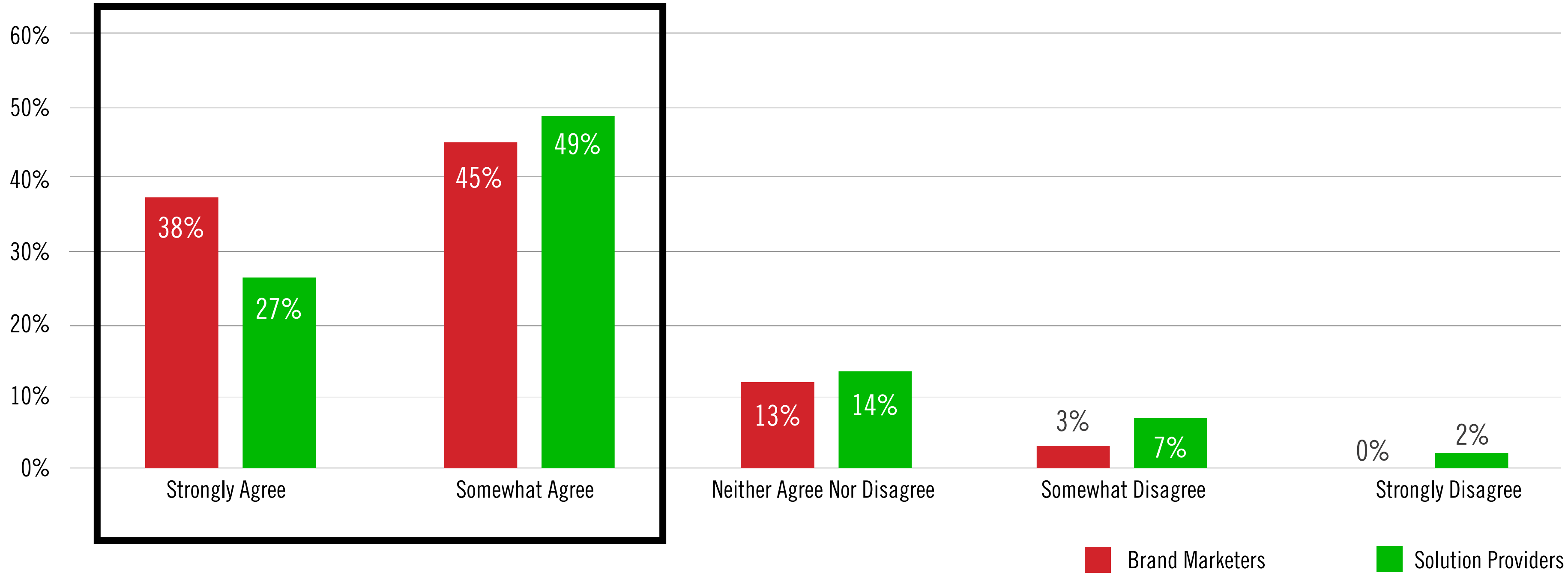
"Our agency consistently take a strategic approach to solving problems."



Big majorities of both Brands and Solutions Providers say Agencies play a critical role in providing program execution services

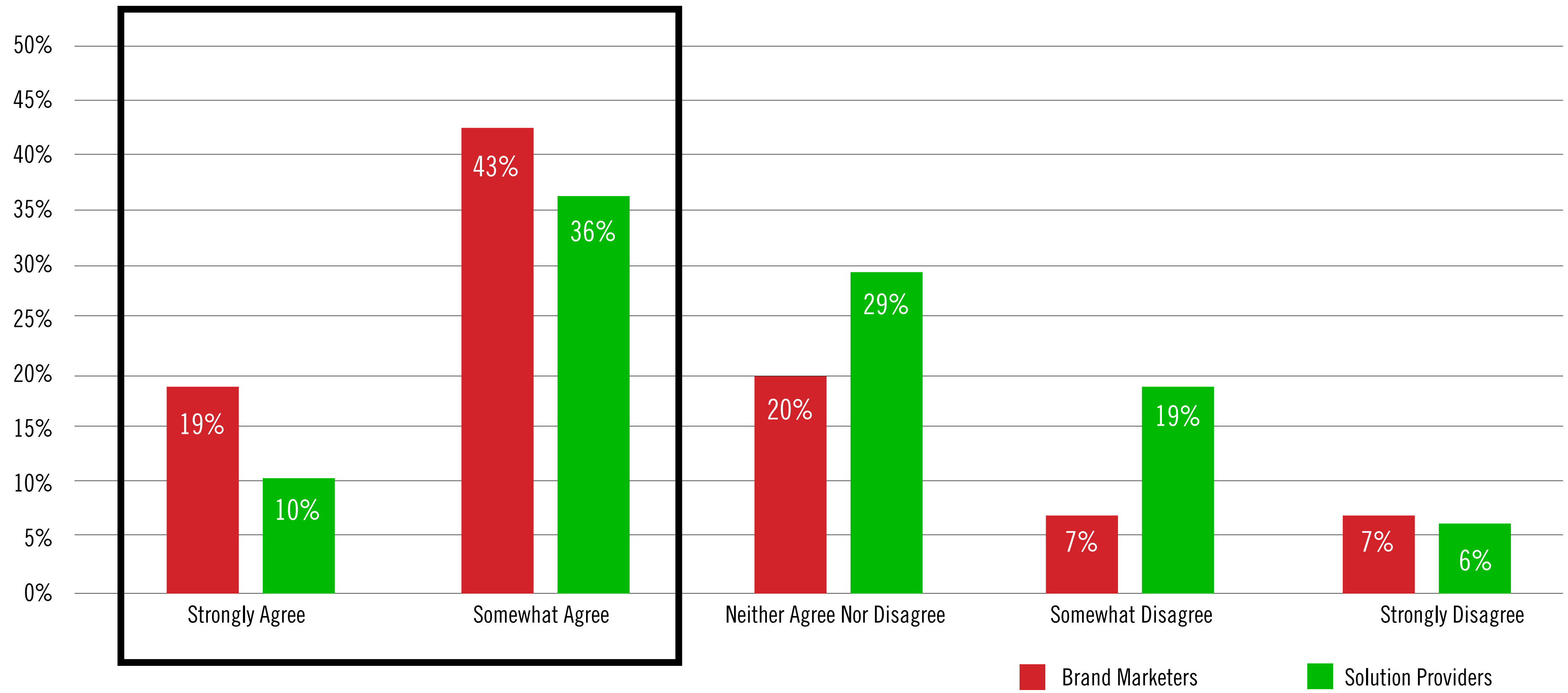
- 83% of Brands agree
- 76% of Solutions Providers agree

"Agencies play a critical role in helping brands conduct and manage execution of marketing programs."



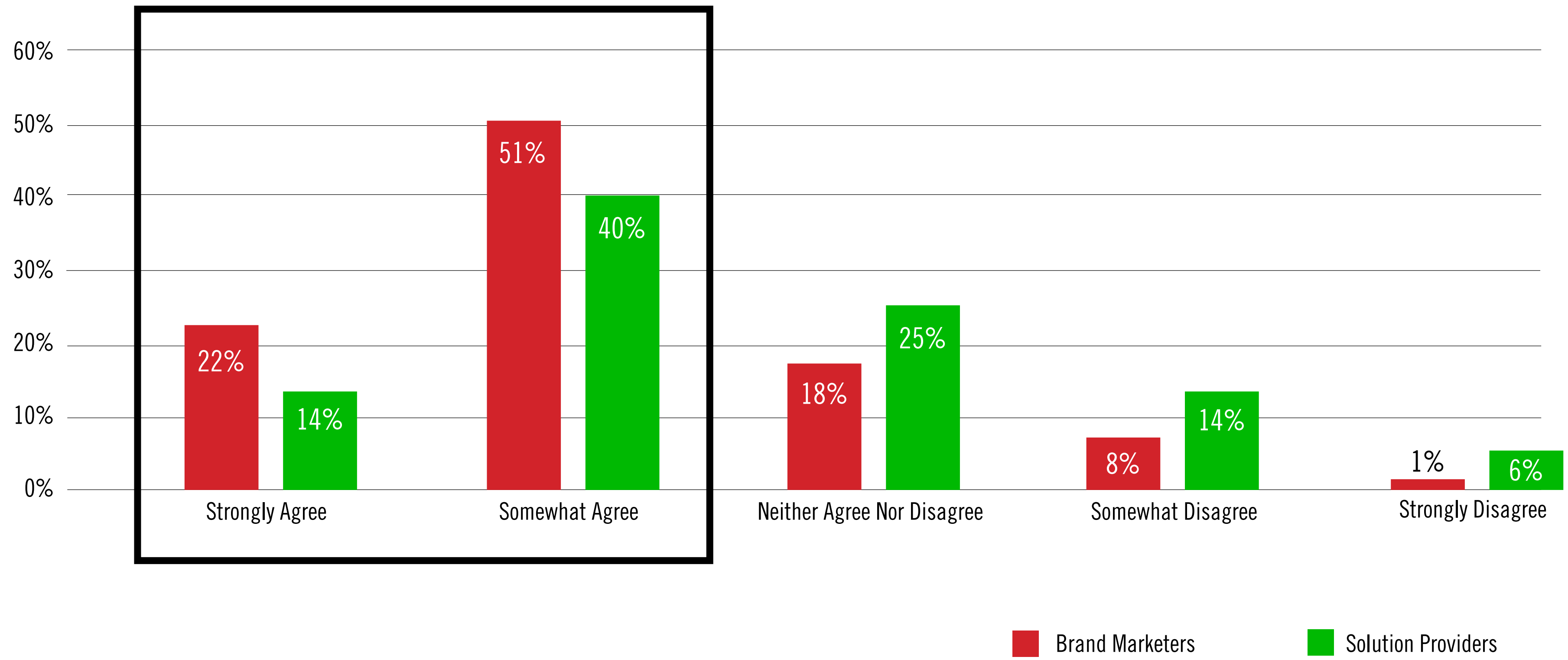
62% of Brands and 46% of Solutions Providers say Agencies are playing a stronger consultative role for Brands than they have in the past

"Agencies are playing a stronger consultative role in ensuring marketing effectiveness for most brands than they have in the past."



73% of Brands and 54% of Solutions Providers say Agencies will always be important to ensuring Brand success

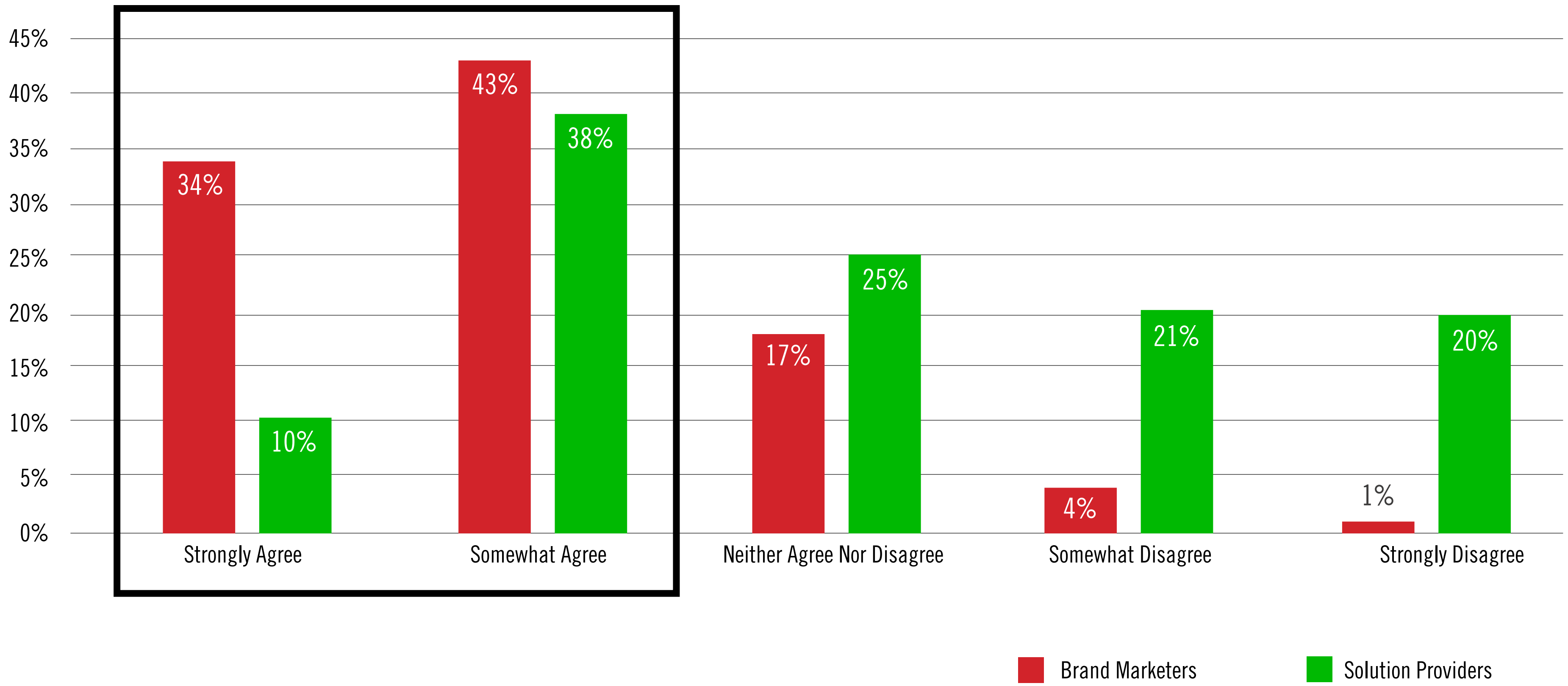
"Agencies will always be an essential part of ensuring marketing effectiveness for most brands."



75% of Brands say their Agency has a smart team working on their businesses

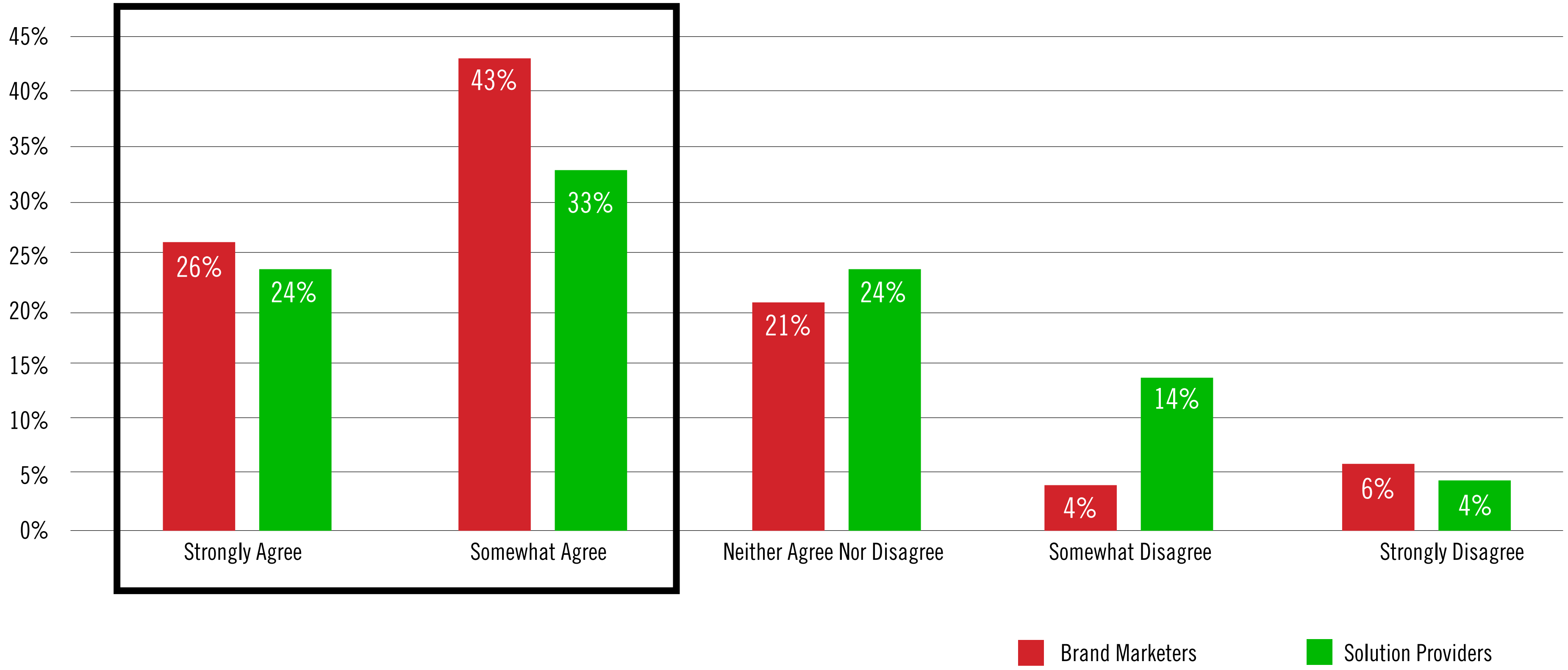
- **But slightly less than half of Solutions Providers say the Agency teams they deal with are smart**

"My Agency has a smart team on my account."



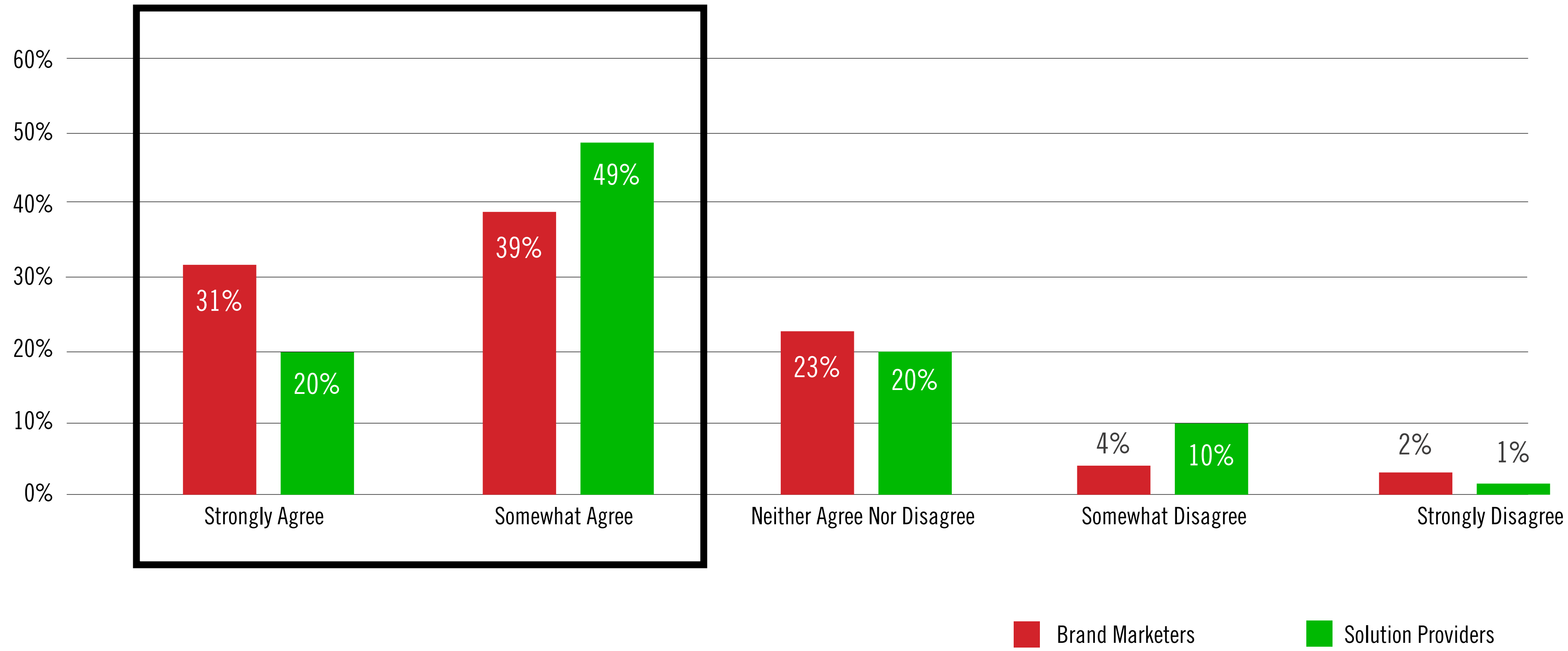
68% of Brands and 57% of Solutions Providers say that Agencies care about client businesses as if they were owners

"My Agency cares about our business like it was their own."



Brands and Solutions Providers generally rate Agency-Brand relationships as strong

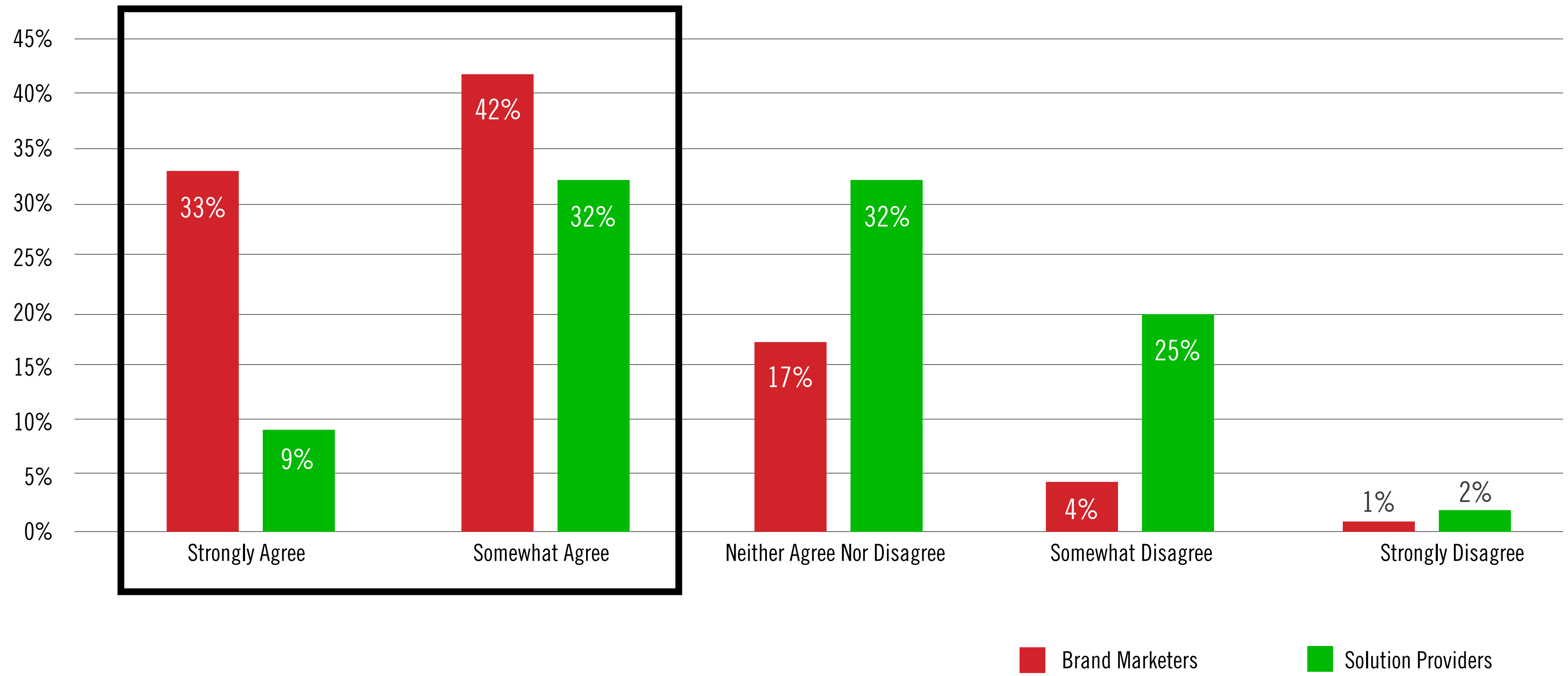
"I have a strong relationship with my Agency."
"The Agencies I work with seem to have strong client relationships."



75% of Brands say their Agency teams are responsive to needs and deadlines

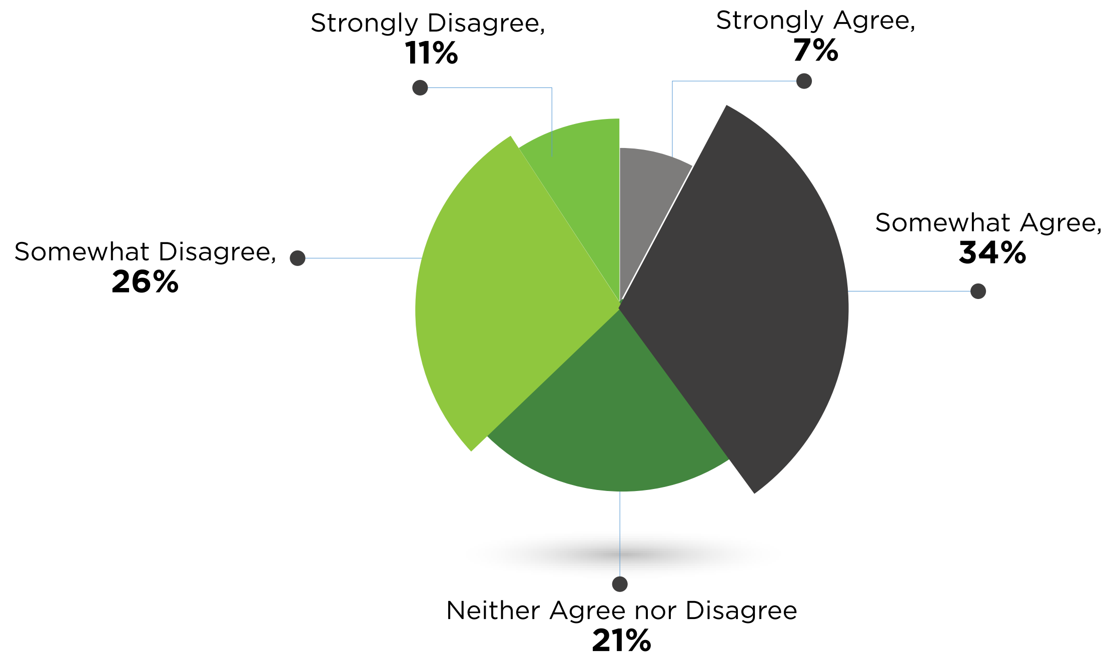
- But less than half of Solutions Providers agree that the Agencies they work with are responsive

"My agency is generally responsive to our needs and deadlines."



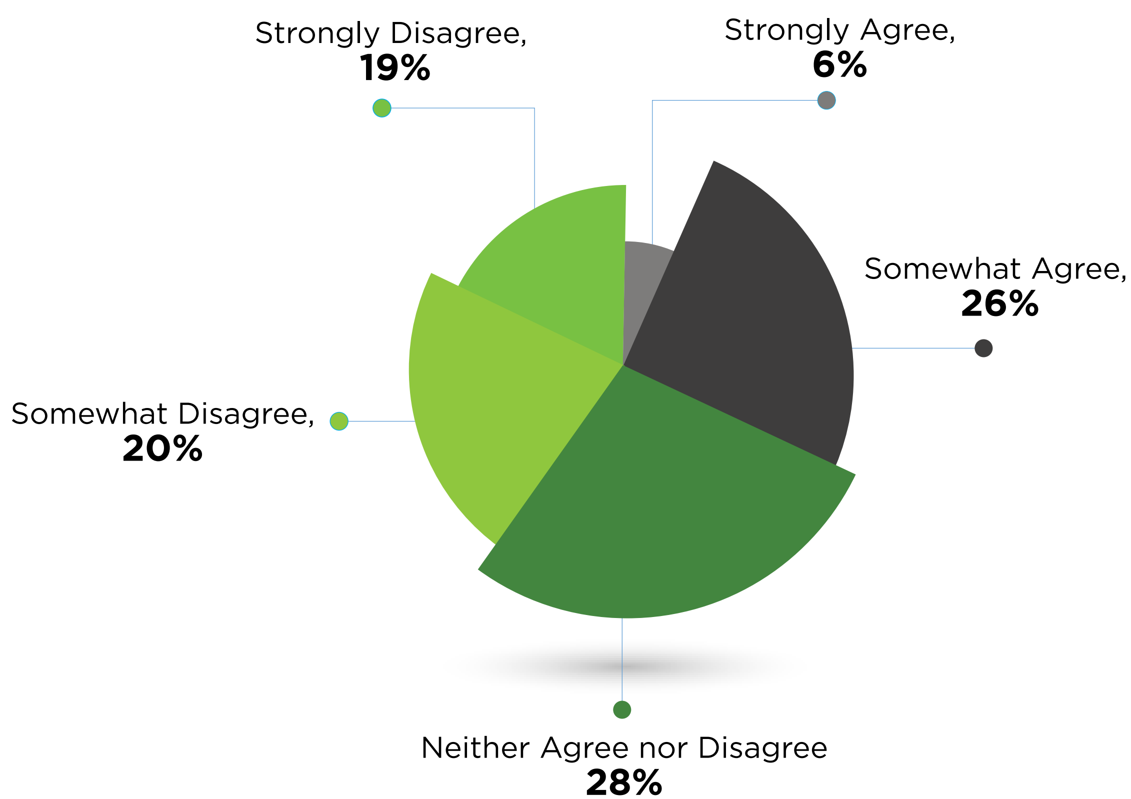
Solutions Providers have mixed opinions on the quality of RFPs/RFP process

"When the agency team(s)/consultant(s) need proposals or information from us, they always provide thorough briefings including all the information we need to deliver a strong recommendation."



Solutions Providers are generally frustrated by the deadlines given in the RFP process

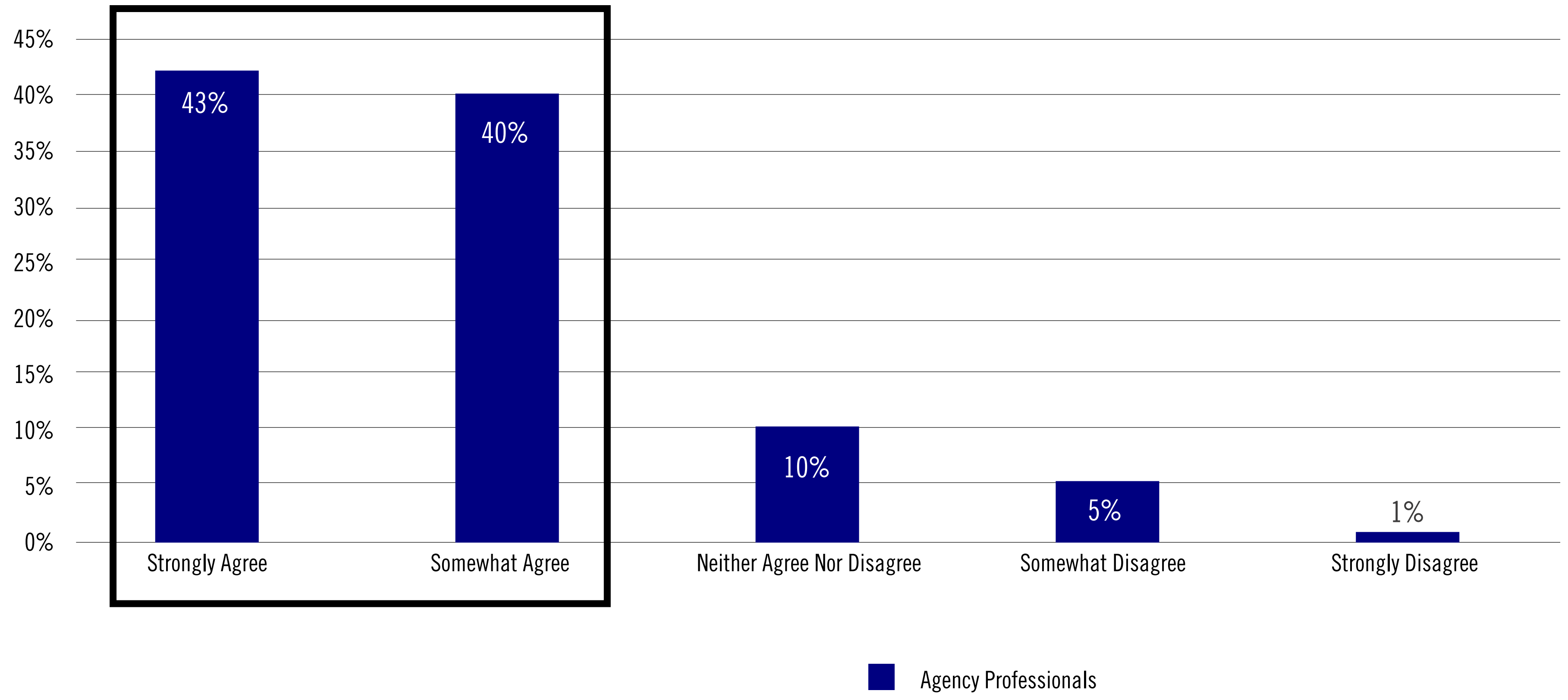
"When the agency teams(s)/consultant(s) need proposals or information from us, they really try to provide the time necessary for us to put our best foot forward."



PERCEPTIONS OF BRAND MARKETERS AND SOLUTIONS PROVIDERS

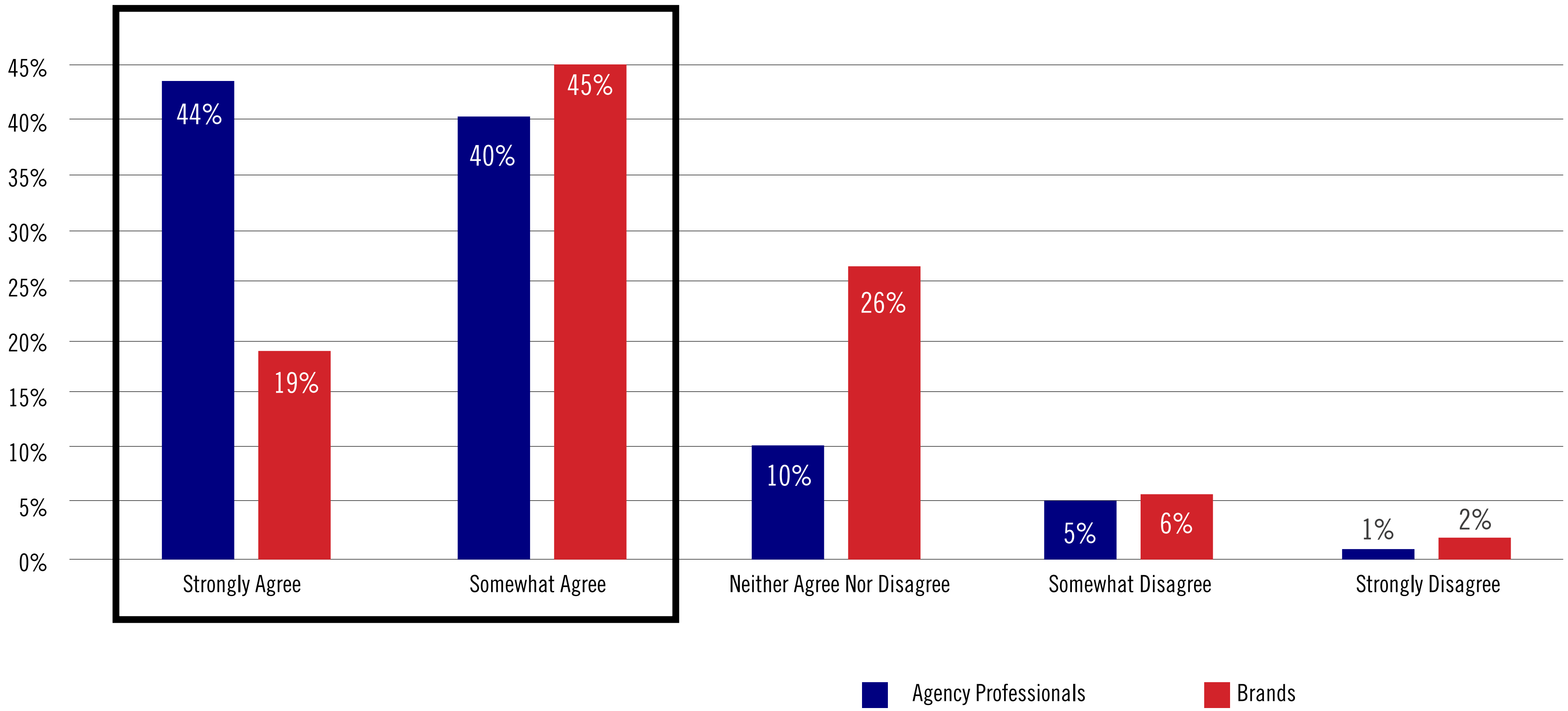
Most Agency professionals say that their Brand counterparts treat them like genuine partners

"Our clients treat us like a genuine partner."



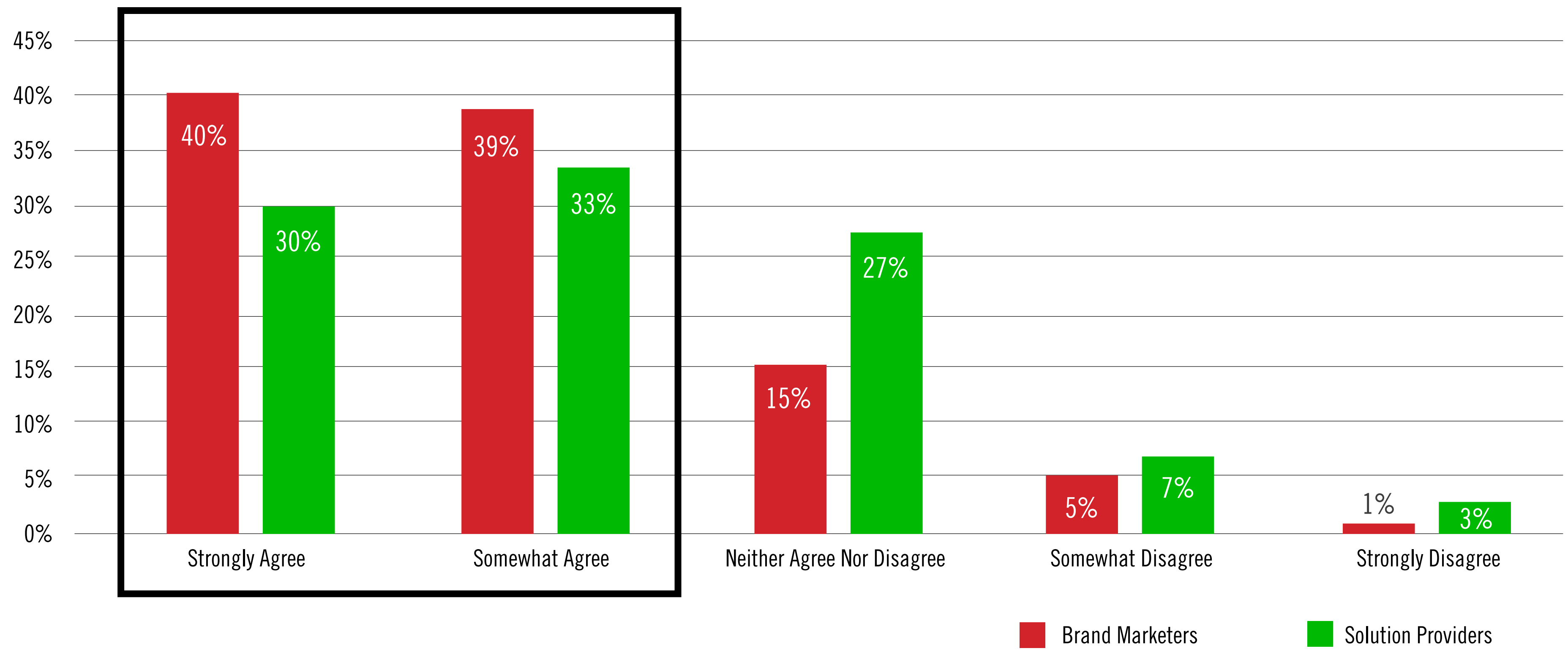
Agencies are more likely to say that Brands usually accept Agency recommendations than the Brands say they do

"We usually accept the recommendations of our Agency."



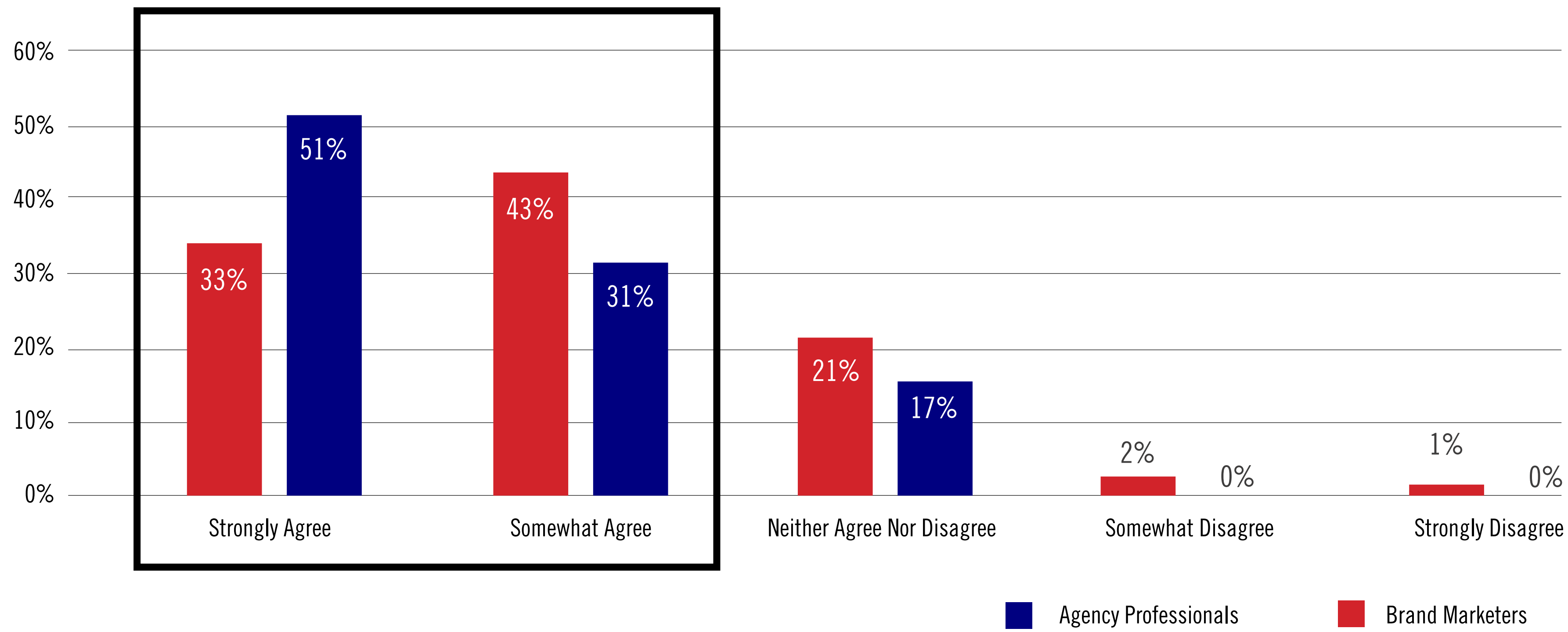
More Brands actually want direct relationships with Solutions Providers than the Solutions Providers do themselves

"It is often preferable for Solutions Providers to try to work directly with Brand Teams instead of solely through the agencies."



Both Agencies and Brands recognize that Solutions Providers are increasingly interested in "going direct" -- cultivating direct relationships with Brands

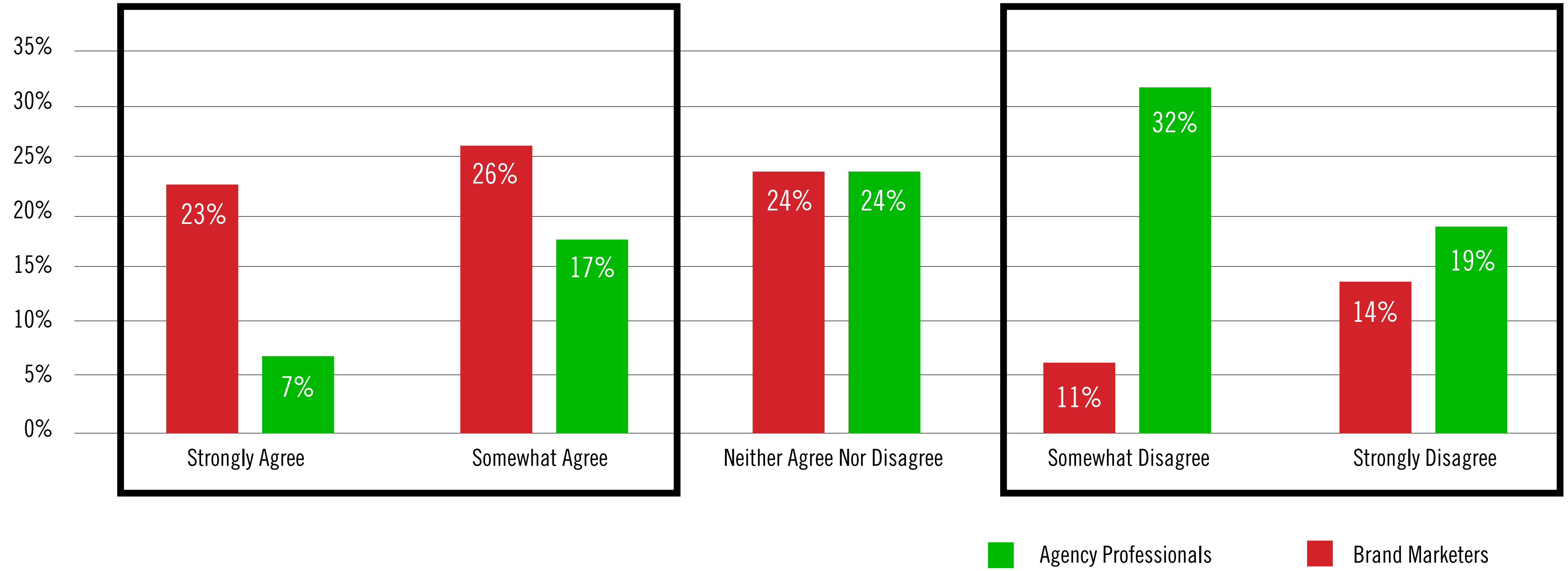
"It is often preferable for solutions providers to try to work directly with Brand Teams instead of solely through the Agencies."



About half of Brands think Solutions Providers should always try to work through Agencies first versus immediately going direct

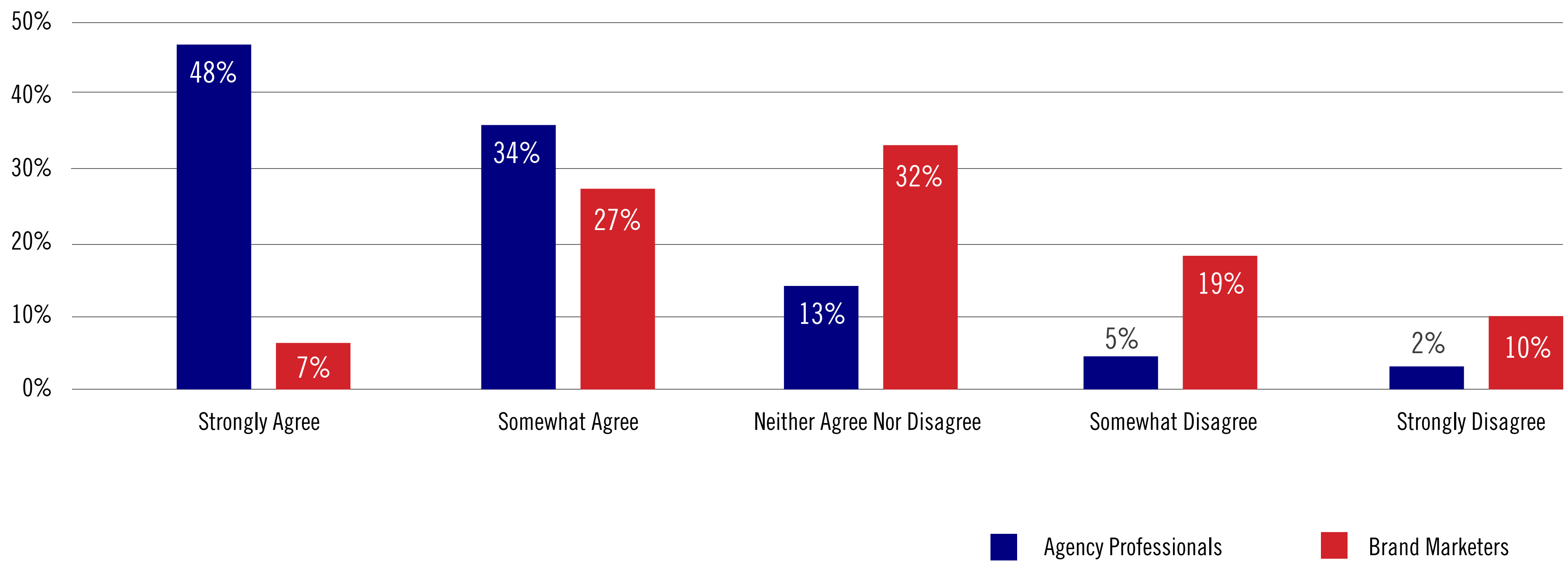
51% of Solutions Providers disagree and want to go direct without first connecting with the Agency

"It is often preferable for solutions providers to try to work directly with brand teams instead of solely through the agencies."



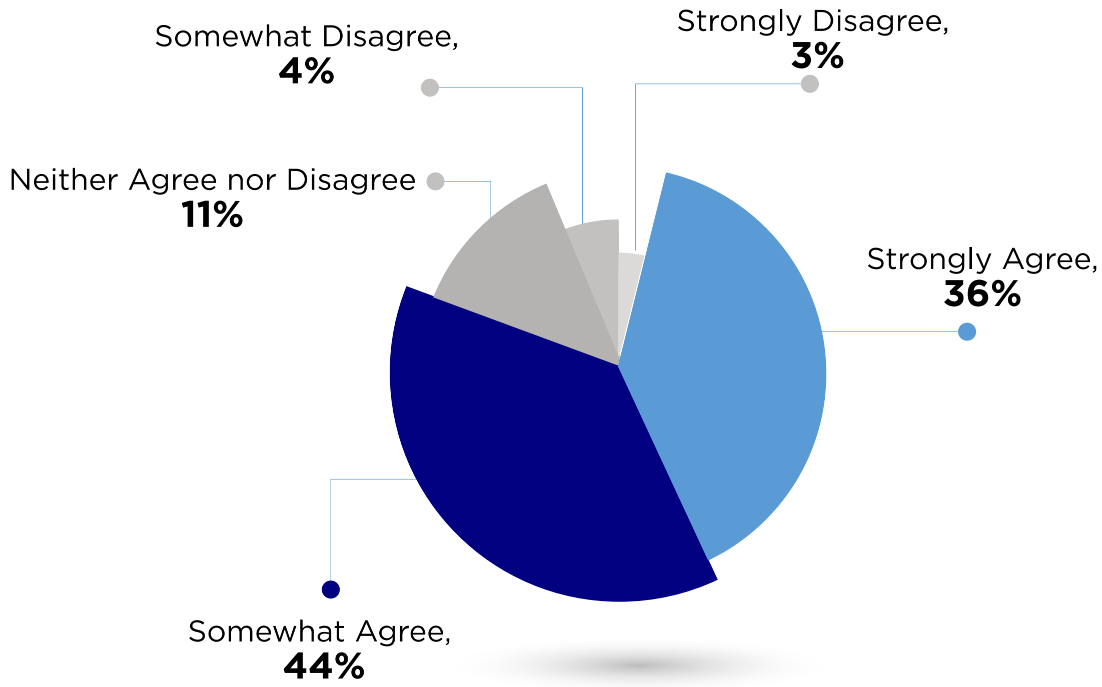
Most Brands don’t think they should automatically refer Solutions Providers to their Agencies if they are contacted directly

“Brands should refer solutions providers to their Agencies if they get contacted directly..”



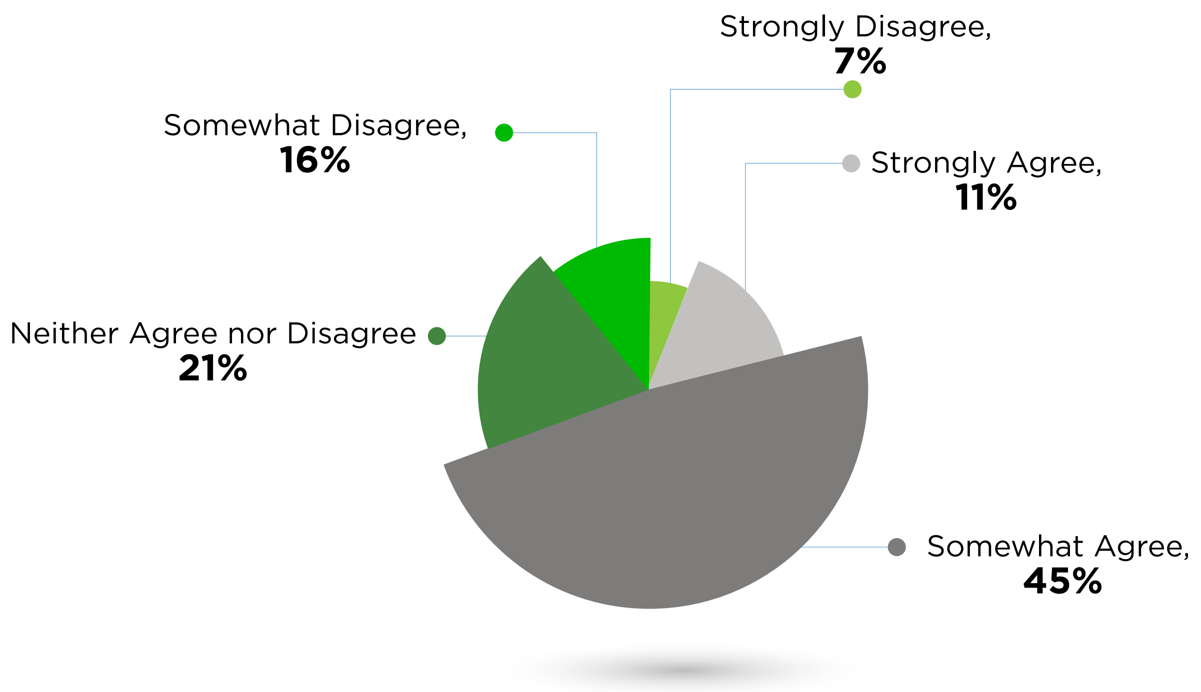
Agencies fear that direct Brand-Solutions Provider relationships make their partnerships with Brands weaker

"When Solutions Providers work directly with Brands instead of through Agencies, the brand/agency relationship is made weaker."



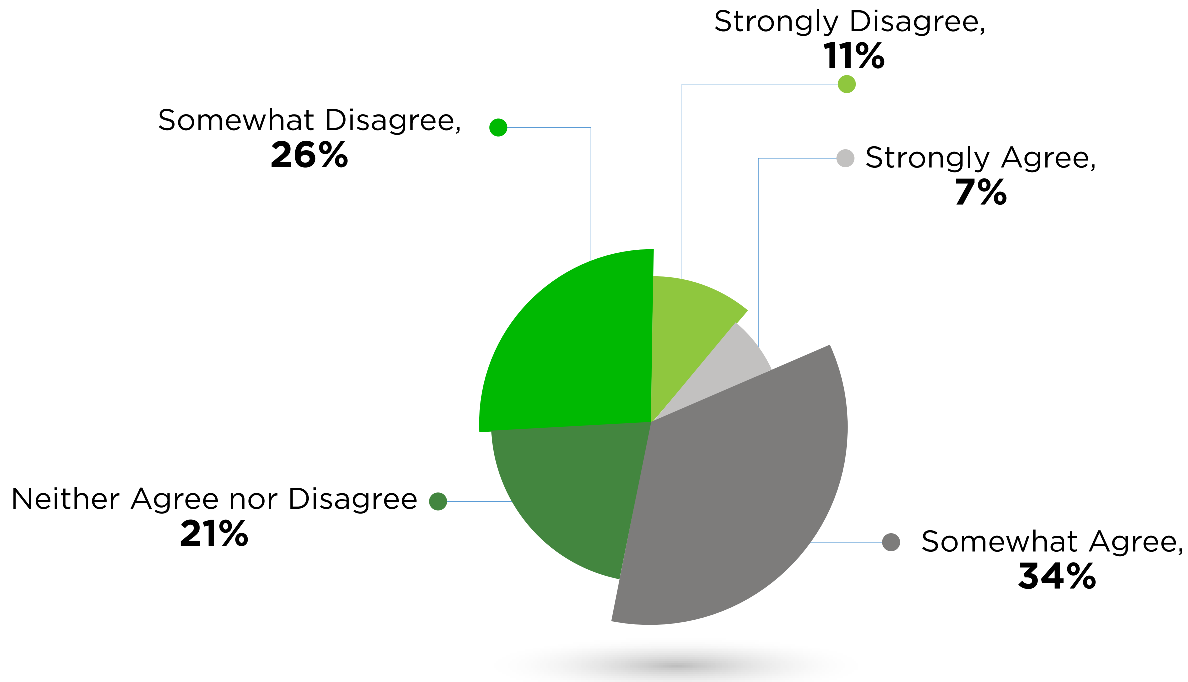
Only about half of Solutions Providers think they get a fair shot at winning business

"The agency team(s)/consultant(s) I work with give us a fair shot at winning business when we offer solutions that are appropriate for their needs."



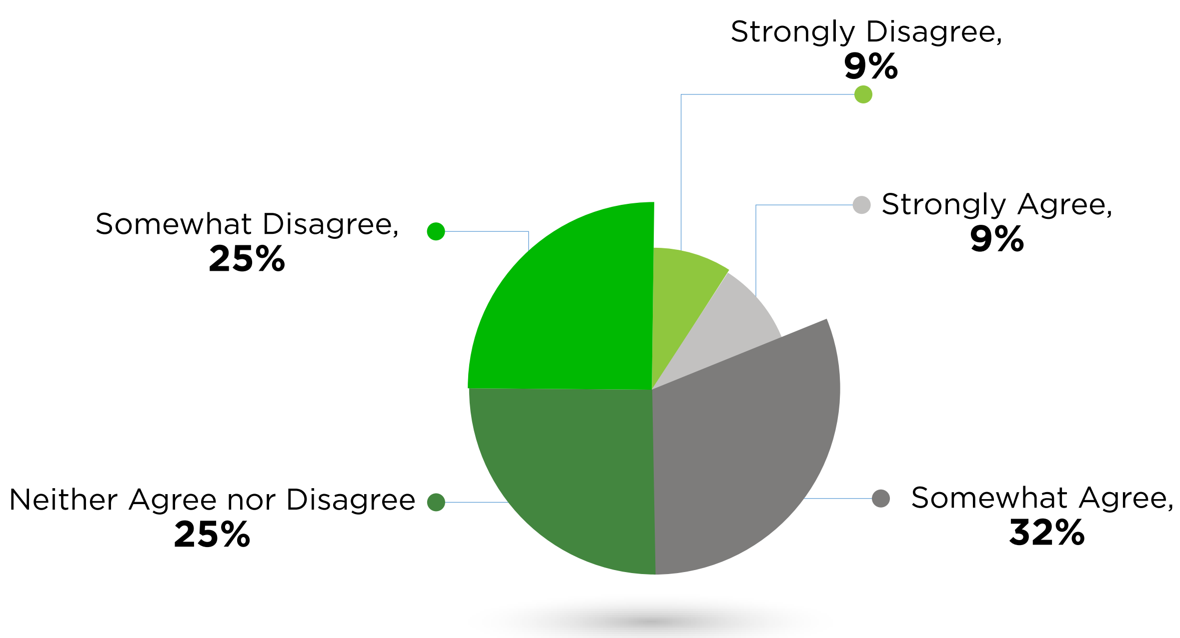
Less than half of Solutions Providers say they get enough information in RFP briefings

"When the agency team(s)/consultant(s) need proposals or information from us, they always provide thorough briefings including all the information we need to deliver a strong recommendation."



Less than half of Solutions Providers say that Agencies are responsive to their needs.

"The agency team(s)/consultant(s) I work with are always responsive to our team's needs and answer our questions in a timely manner."



HOW WE'RE SPENDING NEXT YEAR

Hot media categories include Social, Mobile, Video Data/Analytics and Brand Experiences/Storytelling

"We would like to know how your brand will invest marketing dollars in the next 12 months. Please tell us if your brand is increasing spend, keeping spend about the same, or decreasing "spend in the following areas.

(Average of Brand Marketer and Agency Scores)

	Increase	Stay the Same	Decrease	Not Applicable
Social Ads	58%	27%	4%	12%
Mobile Ads	57%	26%	3%	14%
Video Ads	56%	26%	4%	13%
Data & Analytics	54%	32%	1%	13%
Brand Experiences/Storytelling	52%	28%	2%	19%
Programmatic Media	43%	32%	6%	19%

More modest growth likely from Search, Native, and Regional advertising. Display looks to hold fairly steady

"We would like to know how your brand will invest marketing dollars in the next 12 months. Please tell us if your brand is increasing spend, keeping spend about the same, or decreasing "spend in the following areas.

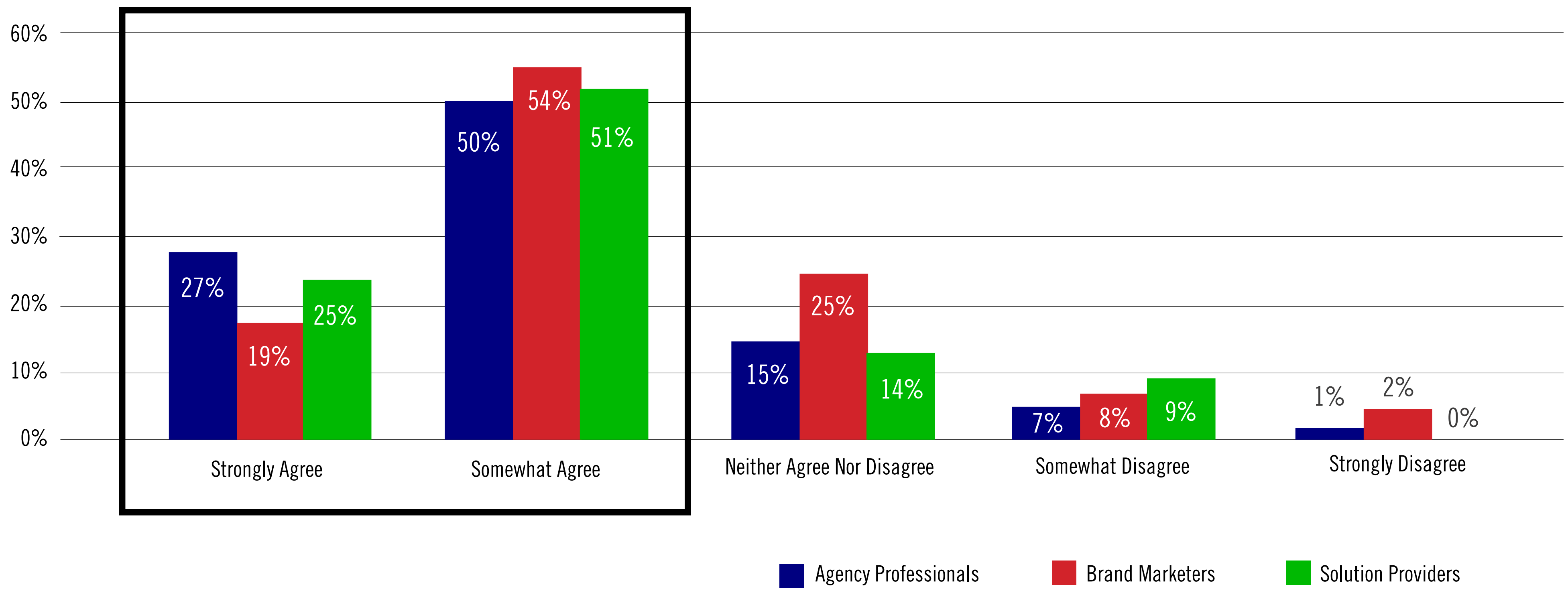
(Average of Brand Marketer and Agency Scores)

	Increase	Stay the Same	Decrease	Not Applicable
SEM	38%	43%	5%	15%
Native Ads	38%	37%	8%	18%
New Websites	35%	39%	8%	18%
SEO	28%	41%	6%	26%
Regional/Local Ads	25%	44%	7%	23%
PC Display	20%	42%	25%	13%
Mobile Apps	18%	31%	15%	36%

PERCEPTIONS ABOUT THE FUTURE

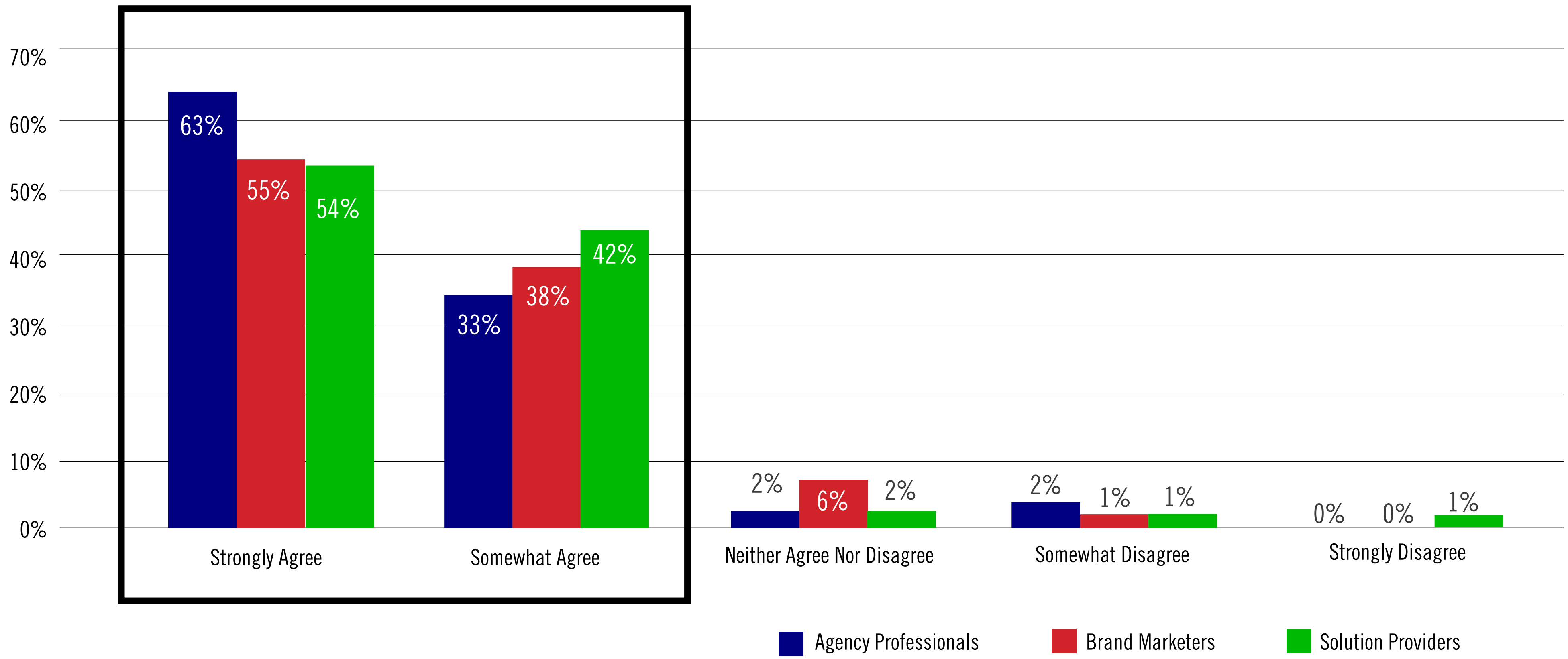
All groups are at least somewhat optimistic about the prospects for the US economy in the next year

"I am optimistic about GROWTH PROSPECTS FOR THE US ECONOMY in the next 1-2 years."



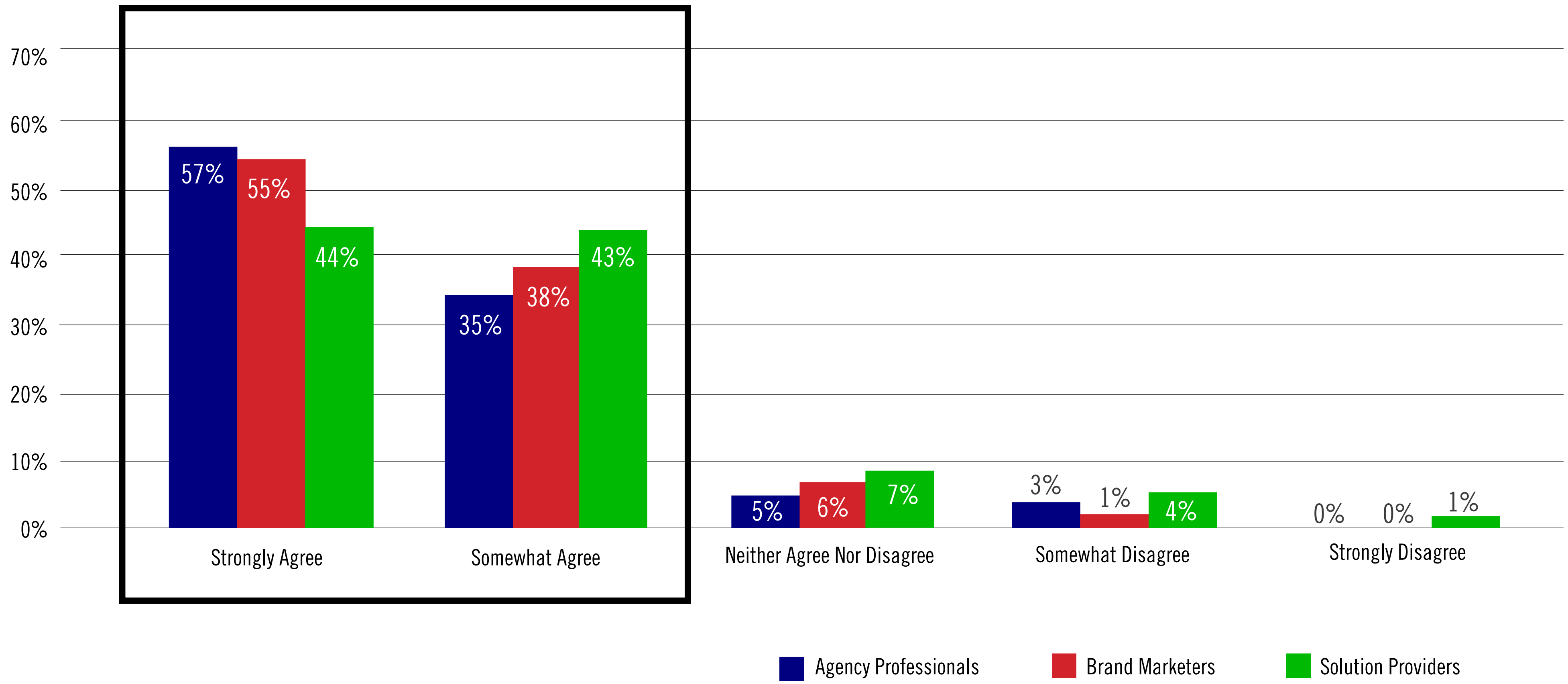
All groups are **EVEN MORE** optimistic about the future of digital marketing

"I am optimistic about GROWTH PROSPECTS FOR THE US ECONOMY in the next 1-2 years."



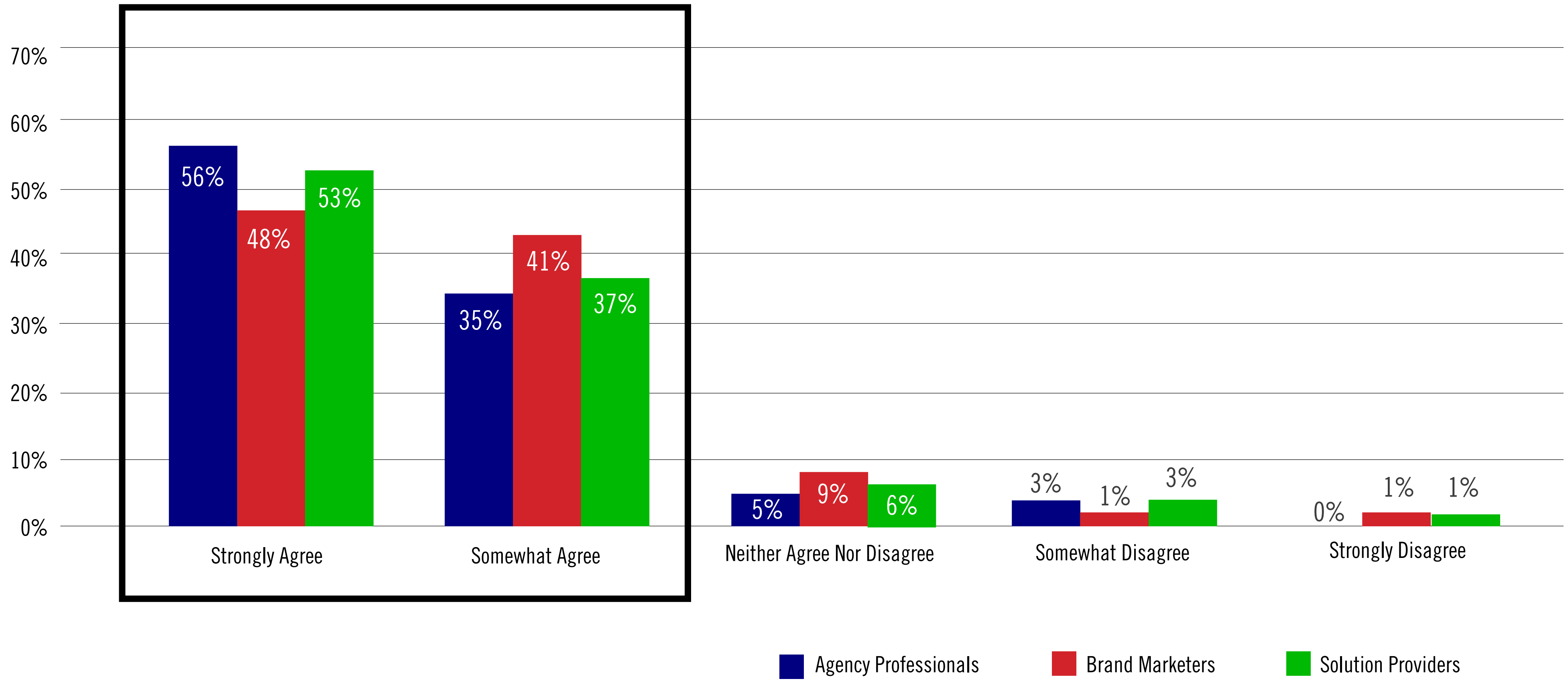
All groups EVEN MORE optimistic about the prospects for digital growth in their markets

"I am optimistic about GROWTH PROSPECTS FOR DIGITAL MARKETING IN MY REGION/CITY in the next 1-2 years."



All groups EVEN MORE optimistic about their own career prospects

"I am optimistic about MY CAREER PROSPECTS in the next 1-2 years."

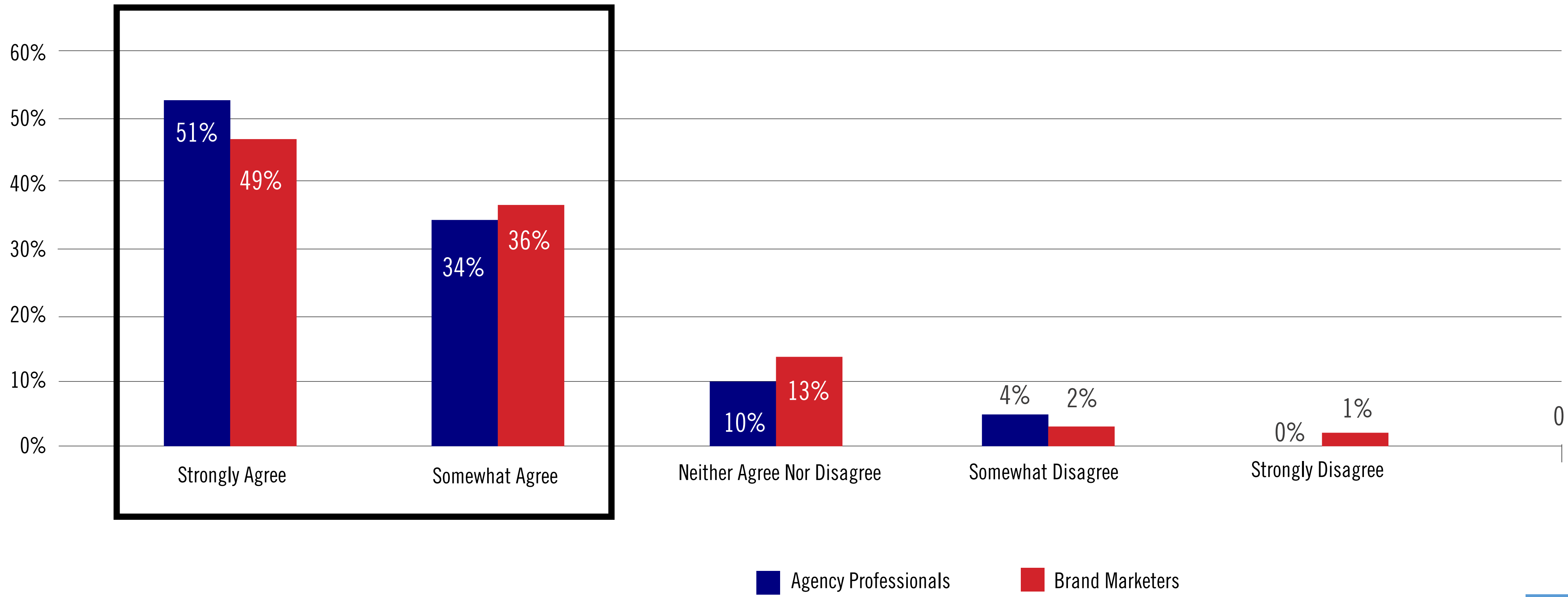


PERCEPTIONS ABOUT MEMBER ORGANIZATIONS

IMAA

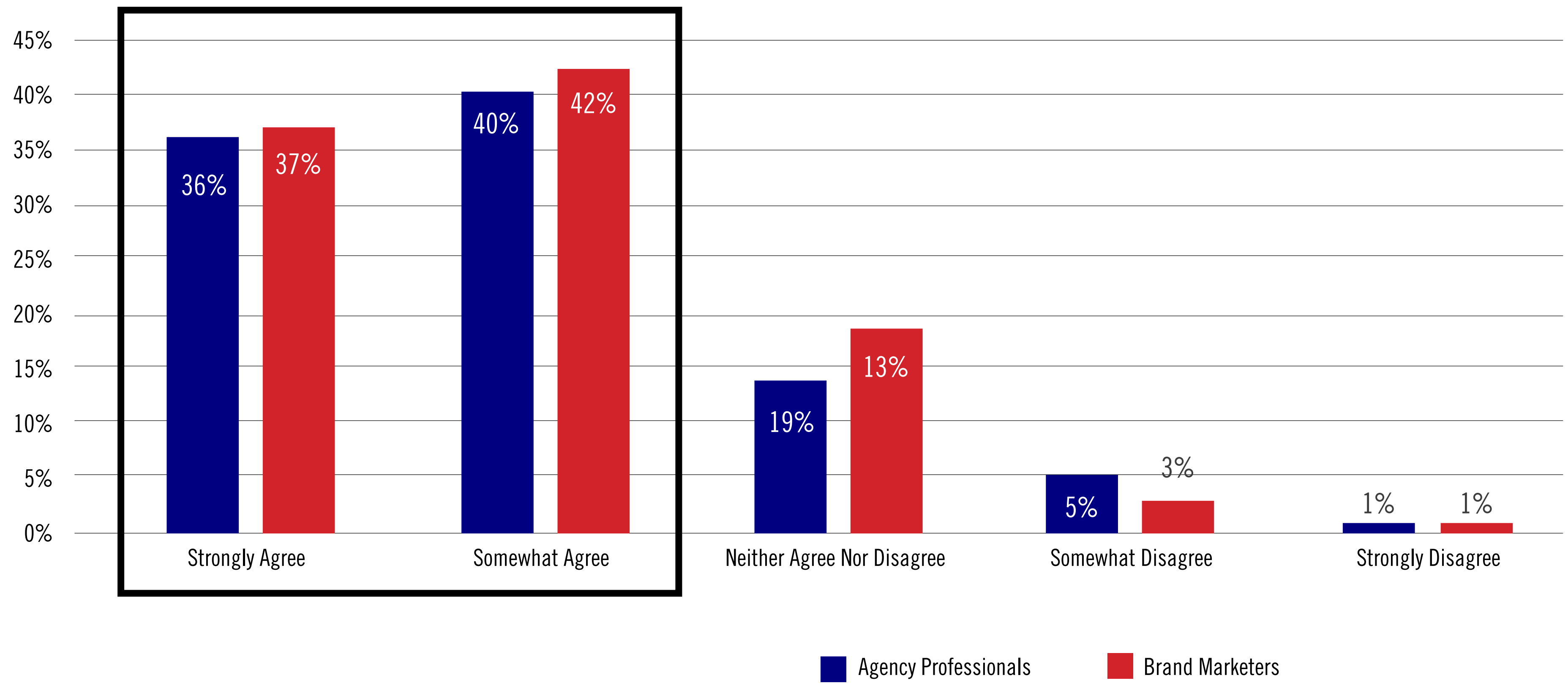
Brand and Agency members believe that the industry trade groups of the IMAA play an important role in bringing the industry together

"My local professional marketing association plays an important role in bringing the digital industry together in the region."



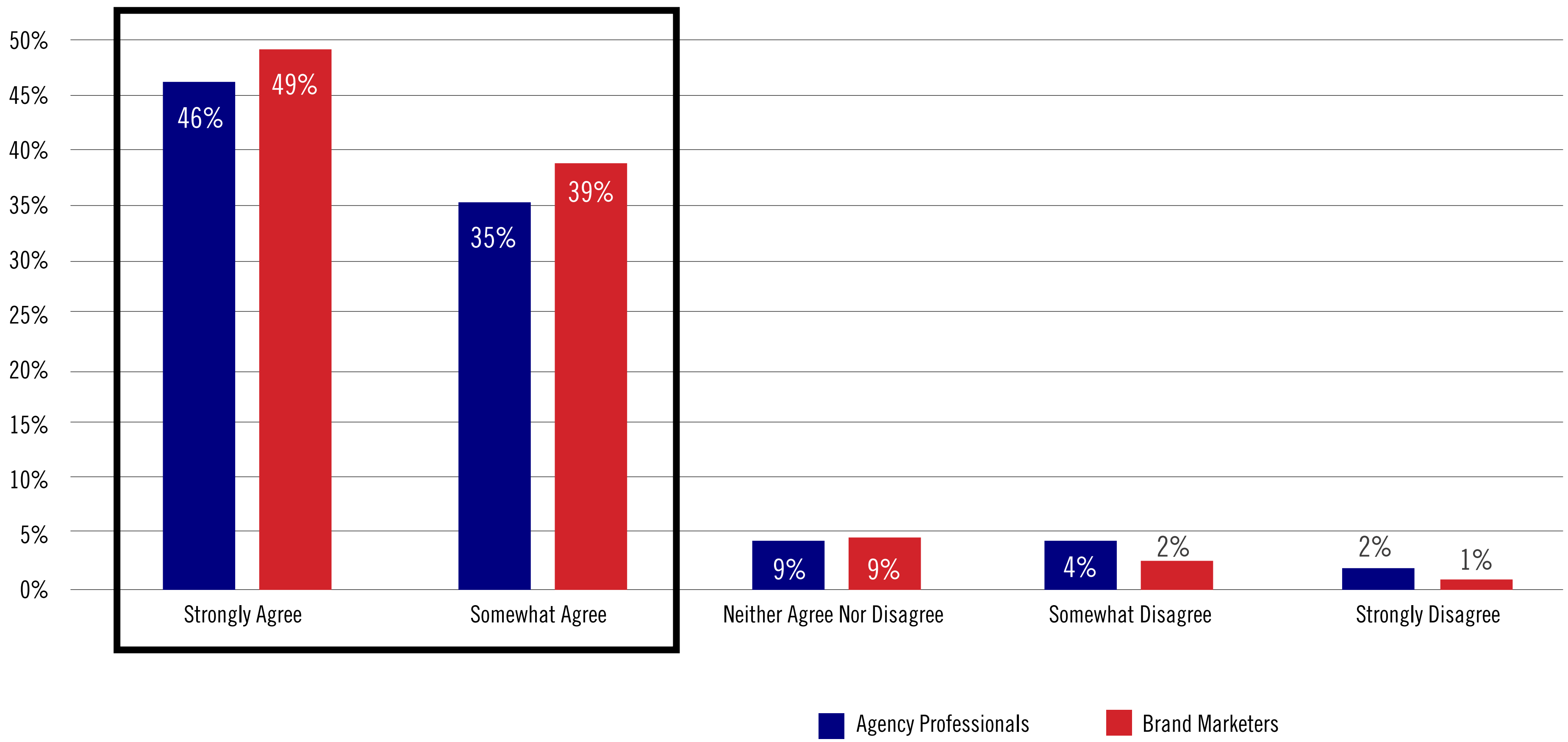
Brands and Agencies give stronger consideration to Solutions Providers that support IMAA member groups

"When an agency or technology/media solutions provider supports my local professional marketing association, I am more likely to consider their solutions when they are appropriate for my brand."



More than 80% of Agencies and Brands say they have learned something at an IMAA member organization event

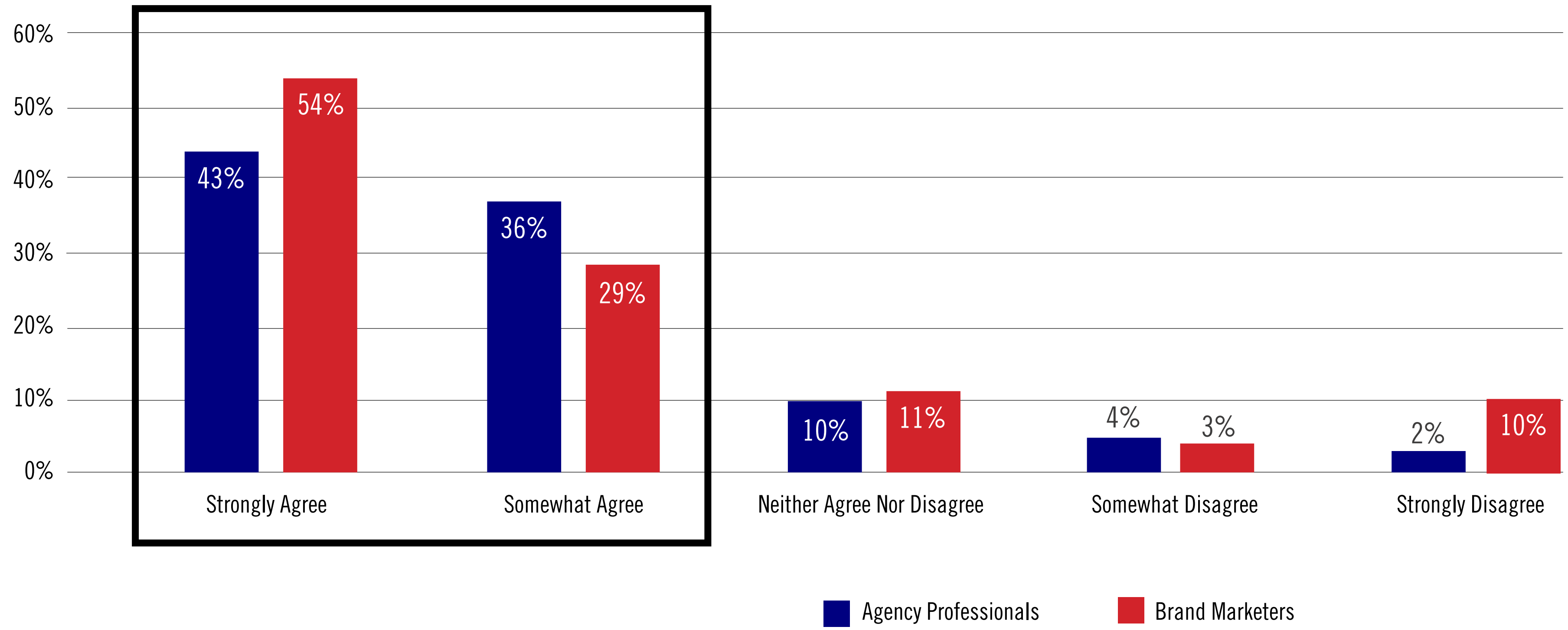
"I have learned about new products and solutions through local professional marketing association events and content."



IMAA

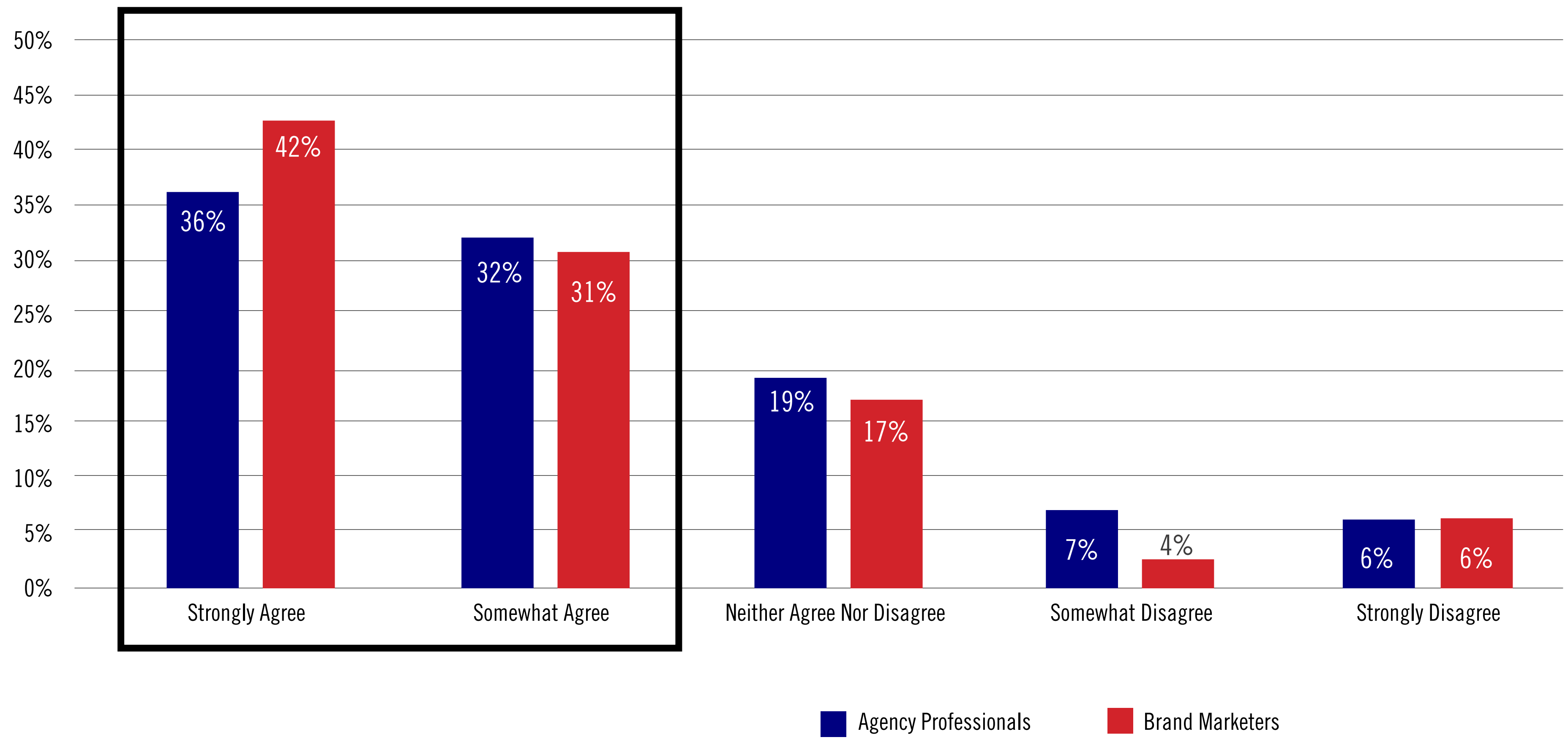
About 80% of Agencies and Brands say they have learned something they put to immediate use at an IMAA member organization event

"I have learned something that I can put into immediate use through local professional marketing association events and content."



More than 2/3 of Brands and Agencies say they have made a purchase from an IMAA member organization sponsor

"I have purchased products/services from the sponsors of my local professional marketing association."



Agency and Brand attendees want more focus on education and stronger outreach to Attract Brand Marketers. Solutions Providers want more Brand and Agency prospects to attend

"How can your local professional marketing association help to make the relationships between brand marketers, agencies and technology/media solutions providers stronger?"

The Interactive Marketing Association Alliance is an initiative held in common interest by digital marketing organizations across the US.

Individual associations formed independently can participate in the IMAA to learn from other markets, discover new speakers and content, share local events nationwide, assist newly formed IMAs and network with professional resources.

The group is not commercially funded or sponsored, nor are there financial obligations to join. It is an initiative formed by like-minded leadership seeking excellence in educational and networking resources for their own local communities.

Visit us at www.imaalliance.org

Directory of participating organizations

https://212nyc.org/

https://www.313digital.org/

http://www.314digital.com/

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