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Executive summary
Managing Digital Marketing in 2015

This research from Smart Insights and TFM&A 2015 explores approaches businesses use to plan and manage their investments in digital marketing. Findings and recommendations are grouped in 6 areas aimed at improving the commercial contribution of digital marketing for businesses.

1. Digital marketing capabilities and transformation

The majority of companies are still actively working on transformation of their digital marketing capabilities – less than 20% rating their digital communications, customer communications or performance improvement process at an advanced level.

When asked about managing digital transformation, again just 20% of businesses had a transformation programme in place, but with 33% planning to implement a programme within the next 12 months.

☑ Good practice: Audit your digital marketing capabilities and create a roadmap for transformation to improve capabilities over the medium to long-term.

2. Digital marketing strategy and planning

In business, it’s recognised that plans help companies to prioritise, set goals and allocate resources to meet targets. Yet a planned approach often isn’t followed in digital marketing or marketing:

☑ One half (50%) of businesses surveyed do not have a defined digital plan or strategy, although they are active in digital marketing.

☑ Nearly half (45%) also don’t have a defined marketing plan in the business to align digital strategy against.

☑ Good practice: Don’t just execute! Create a long-term digital strategy and plan aligning with marketing and business priorities.
Executive summary

3. Managing change via digital transformation programmes

Integration of digital channels into marketing activities was identified as a major challenge in the research – only a quarter of companies (24%) were happy with their level of integration of digital marketing and traditional communications.

☐ The main barriers to integration are:
  1. Lack of integrated strategy and plans (27%)
  2. Teams structured in silos (23%)
  3. Lack of skills in integrated communications (17%)

☑ Good practice: Use digital transformation programmes to eliminate digital marketing silos and improve integration through integrated planning and collaboration during campaigns.

4. Development of digital skills

Across respondents to the survey, nearly 60% of peoples’ time is now devoted to digital marketing activities, showing the importance of skills development in this area.

Many marketers are now confident in their knowledge of digital channels with nearly half saying they are confident, with in-depth knowledge or sufficient knowledge for what they need across different digital marketing techniques. However, there is still hunger for deeper learning about digital marketing approaches, particularly in Big Data and CRM (58% want to improve their knowledge), digital strategy (53%), search engine marketing (51%), content marketing (50%) and social media marketing (47%).

☑ Good practice: Review and develop your personal or employees’ digital skills.
Are you a T or W-shaped marketer?

5. Investing in digital marketing in 2015

☐ The research shows the ongoing importance of the core digital marketing channels with similar levels of effectiveness compared to 2014. Email marketing was rated as highly or very effective by 51% of respondents followed by SEO (45%) and AdWords (34%). Organic use of social media wasn’t far behind with 33%, but with only 21% believing paid social media was effective.

☑ Many marketers are planning to increase investment across these channels with Email marketing (59%), SEO (51%) and AdWords (46%) leading the pack.
Executive summary

- **Good practice**: With the diversity of paid, owned and earned media, it’s important to focus resources and optimisation on core channels that drive value.

6. Innovation and optimising digital marketing

The opportunity to dynamically update and test digital media has always been claimed to be one of its main benefits compared to traditional media, so we were interested to see to what extent companies have processes in place to execute this continuously. Around a quarter to a third of companies have embraced optimisation, with these leaders running frequent tests or continuously optimising. The percentage of leaders who optimised individual channels or contact points was 30% for website (desktop experience), 21% for Mobile (mobile site and/or apps), 29% for landing pages, 35% for email marketing, 29% for social media marketing, 28% for content marketing and 31% for paid digital media.

- **Good practice**: You can’t compete if you update your website, your communications approaches every few years... Create a plan for “Always-on” optimisation of digital media and integrated customer experiences.

Methodology

We surveyed Smart Insights members who are based around the world and previous attendees of Technology for Marketing & Advertising, a conference based in the UK. The survey was completed online during November and December 2014.

There were 765 respondents, with the majority (62%) in senior, management roles. Respondents are typically experienced in marketing, with nearly two thirds having more than five years experience and over a third having more than 10 years experience.

Further details on the sample frame are available at the end of the report.
Introduction

The need for managing digital transformation

In a Google Think article A “Post Digital” World, Really? Y&R Chairman and CEO David Sable argued against those commentators who said that businesses and consumers are now in a “Post Digital” world. We concur. You will see from the results of this survey that the reality for many businesses is that despite widespread adoption of digital technology by their customers and their most advanced competitors, we are still in an era of managing transformation to improved digital capabilities. Many businesses are limited in their capabilities and currently lack plans. However, there is a strong appetite to improve their approach to digital marketing using digital transformation and increased investment in digital media and technology.

How well do companies manage digital marketing?

At Smart Insights we believe that successful marketers look beyond chasing every latest technology innovation, following a more strategic, managed approach based on optimising communications for key customer touchpoints. So, in this research we wanted to go beyond reviewing the digital marketing tactics deployed and explore the strategic approaches businesses take to manage the transformation needed to improve the commercial contribution of digital marketing integrated with all marketing activities.

About Smart Insights

Smart Insights provides actionable marketing resources to help businesses succeed online. More than 80,000 Basic members use our blog, sample marketing templates and weekly Digital Marketing Essentials newsletter to follow best practices and keep up-to-date with the developments that matter in digital marketing.

Thousands of Expert members from over 80 countries use our planning and management templates, guides and video courses to map, plan and manage their marketing using the Smart Insights RACE Planning framework.

Here are 10 reasons why Expert members use our resources.
RECOMMENDED RESOURCES
Strategy development and planning templates

We have developed a series of tools for Expert members to help them plan:

- **Digital strategy toolkit.** This template contains a full workbook to create a digital marketing strategy to Reach-Act-Convert and Engage your audience.
- **Example digital marketing plans.** An example online marketing plan and blank template using the Smart Insights RACE Planning framework.

About Technology for Marketing & Advertising (TFM&A)

We teamed up with TFM&A to research and present these findings and recommendations.

TFM&A is the leading event for the marketing industry in the UK. Now in its 15th year, TFM&A offers the opportunity to learn from a diverse educational programme hosting the latest industry topics, source solutions from leading marketing tech suppliers, and network with other marketing professionals.

To share best practices in managing digital marketing, Dr Dave Chaffey of Smart Insights will be presenting the research and recommendations in seminar sessions at TFM&A 2015, taking place 25-26 February at Olympia London. To register to attend for free, click here.

For year round marketing and ecommerce insight, research and downloads, please visit tfmainsights.com.
About the report author

Dr Dave Chaffey is CEO and co-founder of digital marketing management advice site Smart Insights. He is author of 5 bestselling books on Ecommerce including Digital Marketing: Strategy, Implementation and Practice and was recognised by the Chartered Institute of Marketing in 2004 as one of 50 marketing ‘gurus’ worldwide who have helped shape the future of marketing.

Research findings and recommendations

In common with all resources for members in our Smart Insights Digital Marketing Library, we want this report to be practical and actionable, to make a commercial difference to your business. So, the results presented from this research are structured around practical activities companies can use to follow a more strategic, planned approach to digital marketing.

As always with Smart Insights, each section is based around questions the marketer can ask to review and so improve his or her approach to managing digital marketing.

We hope you find this research and recommendations useful in reviewing and shaping your use of digital marketing. If you have any comments or questions, do get in touch.

Dave Chaffey, SmartInsights.com, January 2015
Review digital marketing capabilities and implement digital transformation

Does your company have the right capabilities in place to make the most of digital marketing?

Whether companies are able to deliver on the potential of digital channels to contribute value depends on whether they have the right capabilities in place across the company for all the digital touchpoints that need to be managed.

We asked companies to rate their digital capabilities from an initial level, 1 through to an advanced ‘optimized’ level of 5 by referencing the capability assessment shown on the next page. Results show that the majority of companies rate their capabilities at lower levels of 1 to 3 on this scale of 1 to 5.

Assessment of digital marketing capabilities in organisation

<table>
<thead>
<tr>
<th>Capability</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Strategic approach</td>
<td>19%</td>
<td>34%</td>
<td>26%</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>B. Performance Improvement process</td>
<td>23%</td>
<td>35%</td>
<td>27%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>C. Management buy-in</td>
<td>18%</td>
<td>32%</td>
<td>27%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>D. Resourcing and structure</td>
<td>18%</td>
<td>35%</td>
<td>29%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>E. Data and infrastructure</td>
<td>19%</td>
<td>33%</td>
<td>32%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>F. Integrated customer communications</td>
<td>25%</td>
<td>34%</td>
<td>25%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>G. Integrated customer experience</td>
<td>24%</td>
<td>34%</td>
<td>27%</td>
<td>11%</td>
<td>4%</td>
</tr>
</tbody>
</table>
1 Importance of digital marketing

KEY STRATEGY RECOMMENDATION 1: BENCHMARK CAPABILITIES

Score your digital capabilities to benchmark and then analyse how you can improve and to win the case for investment.

Assess what your current capabilities are overall and for key digital channels to communicate to colleagues where you need to improve. The assessment of capabilities was based on the survey respondents reviewing a capability review which can be viewed on the Smart Insights Digital Transformation page.

AIMING FOR DIGITAL MARKETING EXCELLENCE

To download a larger version of the capability matrix go to http://bit.ly/smarttransformation

RECOMMENDED RESOURCES

Smart Insights Benchmarking Tools

We have developed a series of strategic tools to help companies review their digital marketing and make the case for more investment in digital marketing:

- Digital marketing audit / benchmark
  A detailed spreadsheet based technique for assessing a company in 6 key areas. Best suited to larger organisations.
  Ecommerce option (PRICE framework) available from Chris Jones.

- Competitor benchmarking tools
  A recommended process and tools for comparing performance.

- Business case template
  Improvement needed can be justified through this template and the companion Ebook.

To download a larger version of the capability matrix go to http://bit.ly/smarttransformation
How will digital marketing evolve in future?

What will digital marketing look like in the future? Will it disappear as a distinct digital marketing activity as some have suggested?

In our 2014 survey, we canvassed respondents for their views on the integration and alignment of digital and traditional marketing. Here are a representative set of viewpoints to help you think about how you can shape the future direction in digital marketing.

Alignment of digital marketing with marketing strategy

“Digital Marketing has to be driven by an overall marketing strategy. In the future, I believe that every marketing activity will involve digital technology. Both marketing and sales will use digital, from TV ads to In-store, trade shows, catalogs, telephone or even the salesperson. Online marketing will be a distinct activity but everything will be digital marketing. Every marketing person will work with digital”. Ecommerce Manager.

“Digital marketing gains a more and more significant role vs. the traditional media. However, digital marketing should be aligned and integrated within a holistic approach of offline and online channels so as to achieve best results and increase of engagement.” Marketing manager.

Integration of digital marketing activities with marketing activities

“I believe that digital is here to stay and will become completely integrated with traditional marketing. No need for different departments depending on whether online or offline, as the fundamentals of marketing remain the same, but digital is just another set of channels to be used”. Head of Department.

“I don’t think it (digital) will disappear. Coming from a construction/manufacturing industry background where we are only just seeing the opportunities in digital engagement and activities, I strongly believe that digital – with greater integration with traditional activities – will help us deliver more measurable and strategic marketing communication campaigns. For us, digital marketing has become effective as it delivers one message to a wide audience and the results can be measured”. Digital Marketing Manager.
“Digital marketing will remain a distinct set of disciplines for several years yet and then I believe will merge with direct marketing, but even then, they will remain distinct from brand marketing with its holistic and proposition focus. Increasingly the marketing services area - including TV/radio, etc will become more rather than less similar to digital as technology continues to evolve and this will provoke further integration.

**Adoption of digital transformation programmes in business**

- 37% We have had a digital transformation process in place for more than 2 years
- 19% We have just started a digital transformation programme (within the last 2 years)
- 11% We are planning to introduce a programme within the next 12 months
- 33% We have no plans to run a digital transformation programme

**Alignment of digital marketing with marketing strategy**

Organisations who recognise the importance of digital media and technologies in the future and seek to accelerate the rate of change to integrating digital marketing into their business create digital transformation programmes.

To find out the commitment to digital transformation we asked a new question in this years survey asking about use of Digital Transformation programmes.

Over one quarter (30%) of businesses already have a transformation programme in place, with many businesses still looking to launch their digital transformation programme. A significant proportion of organisations have no intention to implement a programme because they feel it is inappropriate for their type of business, for example, startups and smaller businesses or businesses who are online pureplays.

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*Managing Digital Marketing 2015*

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Is digital marketing based on a planned approach?

We believe that to gain the most from digital platforms, a structured, planned approach based on a solid strategy will give the best results. Plans help businesses to prioritise, set goals and resource at the right level to hit targets. That’s well known for business and marketing plans. We wondered whether businesses take a planned approach to digital marketing too. Without structured plans, there is a danger you will be subject to “shiny object syndrome”, always chasing your tail, as Jeff Bezos of Amazon has referred to.

We found that a majority of organisations responding to the survey do use a planned approach to digital marketing, but many still don’t.

Does your organisation have a clearly defined digital marketing strategy?

- 34% Yes - it's integrated into our marketing strategy
- 50% Yes - it's defined in a separate document
- 16% No - we are doing digital marketing, but no defined strategy

KEY STRATEGY RECOMMENDATION 3: CREATE A DIGITAL PLAN

Create a specific digital marketing plan aligned with marketing strategy

To provide focus and direction for the future, create a detailed digital marketing plan defining the digital channel strategy for each major market / proposition.
Shockingly, nearly half of businesses do not have a digital strategy, but they are doing digital marketing.

Equally, it’s important to avoid creating a silo of digital resources and practice through digital transformation. So we see a digital plan as a short-term tool to define your digital future and help transform your business until it becomes an integrated part of planning for business as usual.

**BEST PRACTICE TIP 1**

**Ensure your plan and deployment of digital resources is integrated**

Although you may initially need a separate digital plan to help you create a strategy and get buy-in for investment in digital channels, it’s important to keep it well integrated. That means supporting common business goals and consistent with brand and communication strategy. The long-term aim should be to integrate your digital plan into your marketing communications plan.

Integration requires a clear marketing or business strategy and plan also. The survey results suggests that lack of a marketing plan in a substantial proportion of organisations may make it difficult to align a digital plan against!

**Does your organisation have a clearly defined marketing strategy, e.g. an annual marketing plan, against which you can align your investments in digital technology and media?**

![Survey results graph](www.smartinsights.com)
This shows the necessity for digital marketing managers to work with their colleagues to agree how digital marketing can support and integrate with marketing.

As we would expect, leading companies who rate their digital capability at level 4 or 5 for strategic approach as shown in the first chart in this report are more likely to base this on a defined strategy. 90 percent of leading companies have a digital marketing strategy (integrated in 70 percent of companies, defined in a separate document in 20 percent of companies). Of other companies, 75% of ‘digital laggards’ don’t have a digital marketing strategy.

What should the planning horizon for digital planning be?

Traditionally, business and marketing planning in many larger businesses has been long-term. Long-term planning enables consistent strategies to be followed in line with forecast changes in the marketplace and resources allocated. We recommend that, although digital media change rapidly, the long-term transformation needed by digital means that you won’t be able to transform the organisation in 3, 6 or even 12 months.

In our previous 2014 research we found that many businesses do not have a long-term planning horizon with less than one fifth looking beyond the current year.
**BEST PRACTICE TIP 2**

Create a hierarchy of plans for different timescales and activities

To help develop a more coherent approach to marketing planning, we suggest you develop a hierarchy of plans as shown in the diagram below.

Annual business and marketing objectives can cascade into goals, objectives and KPIs for different marketing activities on 90 day plans.

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**MARKETING PLANNING HIERARCHY**

**CREATING A MARKETING MAP TO SUMMARISE PLANS AND GALVANISE A TEAM**

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS OR COMMERCIAL OBJECTIVE</strong></td>
<td>e.g. Increase customer base in key markets. Launch new product x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MARKETING STRATEGY</strong></td>
<td>e.g. Has indicators healthy traffic but low conversion — focus on lead generation across owned properties, improve customer...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KPIs</strong></td>
<td>e.g. Revenues max £10K and increases volume 15% YOY. Increase referring...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MARKETING CAMPAIGNS</strong></td>
<td>e.g. End goal promotion</td>
<td>Product x launch</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ALWAYS ON MARKETING</strong></td>
<td>e.g. Set brand interactions on key markets. Trend based content creation each week. Develop content schedule for continual content promotion...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BAU MARKETING</strong></td>
<td>e.g. Manage paid media (pC to R) maintain. Natural search...</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**RECOMMENDED RESOURCES**

**Strategy development and planning templates**

We have developed a series of tools to help Expert members plan:

- **Digital strategy toolkit.** This template contains a full workbook to create a digital marketing strategy to Reach-Act-Convert and Engage your audience over the next year or in a 90 day planning period.

- **Example digital marketing plans.** An example online marketing plan and blank template using the Smart Insights RACE Planning framework.
How should digital marketing and traditional marketing be integrated?

There is a risk that separate digital marketing plans and teams lead to silos for digital marketing, so it’s important to think about how you manage integration. The research shows marketers are making solid progress towards integration, although relatively few describe their approach as fully integrated.

“Only a quarter of companies (24%) were happy with their level of integration of digital marketing and traditional communications”.

How well integrated are your digital and traditional marketing activities?

- **Optimising. Full integration and processes are reviewed for optimisation.** 7%
- **Fully-integrated. Digital marketing is integrated within the wider marketing plan but we’re not optimising.** 17%
- **Actively trying to integrate the two. We are making solid progress in integrating digital and traditional marketing.** 40%
- **Limited integration. We use digital marketing, but it isn’t well integrated into overall strategy.** 24%
- **Not integrated. Our use of digital marketing is ad hoc and not integrated.** 12%
The research showed that the lack of a planned approach is most damaging to integration. Creation of separate teams for digital marketing and traditional marketing also presents problems for integration, showing the importance of developing processes and developing skills that involve collaboration across silos.

![Bar chart showing the factors limiting integration of digital marketing channels]

**Which single factor most limits integration of digital marketing channels?**

- Lack of integrated strategy and plans: 27%
- Lack of process for making the business case: 13%
- Teams structured in silos: 23%
- Lack of skills in integrated brand communications: 17%
- Uncertainty in our commitment to digital channels: 8%
- Other: 12%

**BEST PRACTICE TIP 3**

Allocate and ringfence time for collaboration

The ‘other’ choice was high when asked about integration, with many citing time, budget and resource. This suggests there was poor realisation that time needs to be allocated by management for collaboration.
Managing change through digital transformation programmes

How many digital marketing specialists do companies employ?

Although it’s often said that digital marketing will become part of “modern marketing”, the reality in companies is that specialist resources and agencies are required to manage specific digital marketing techniques. To find the importance of this we asked how many specialist digital marketing roles are used in companies. Across companies there were an average of:

- 11.5 staff in the marketing organisation
- 3.3 staff who were digital marketing specialists

So, that’s an average of between one quarter and one third of marketing roles (28.3%) held by digital marketing specialists in organisations.

Which resources are used for digital marketing?

With the growing importance of digital marketing in driving leads and sales, a key resourcing question is which digital marketing activities should be managed internally and which can be outsourced. There is an argument that some digital marketing activities should be managed internally since they are so vital to the brand or since the “devil is in the detail”. For example, digital marketing activities such as search, content, email and social media marketing typically required a deep understanding of the customer and micro-management of communications to gain the best results for a brand.

Results from our research in 2014 suggests that in companies of the types surveyed, managing digital marketing activities in-house is widely used, particularly for social media, email marketing and SEO.
This chart also shows that significant numbers are failing to exploit the full range of tools available. This is particularly true for the paid media options.

**BEST PRACTICE TIP 4**

**Review opportunities for using paid media to meet online goals**

Options such as Google AdWords and paid ads in social networks give opportunities to create incremental awareness and increase conversion through the use of remarketing.
Are we resourcing sufficiently in different digital marketing activities?

With the range of digital channels available, there is also the challenge of investing the optimal amount in different digital marketing activities. This is not straightforward given the challenges of:

- Attributing sales to the right channels / customer touchpoints using analytics
- Fragmented decision-making on digital marketing investment
- The pace with which new digital marketing channels are introduced

Results show a common perception amongst people working in marketing that insufficient time is spent on planning, measurement and optimisation (respondents could choose multiple answers). This is potentially a management failing since managers are responsible for ringfencing time for these activities.

<table>
<thead>
<tr>
<th>Digital Marketing Activities</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient time invested in measurement, testing and optimisation for maximising ROI.</td>
<td>53%</td>
</tr>
<tr>
<td>Insufficient time spent on planning.</td>
<td>46%</td>
</tr>
<tr>
<td>Insufficient investment in paid media within organisation? (e.g. Display ads, paid search, sponsorships).</td>
<td>43%</td>
</tr>
<tr>
<td>Insufficient investment in earned media within organisation? (e.g. PR, Influencer outreach, building brand advocates).</td>
<td>40%</td>
</tr>
<tr>
<td>Insufficient investment in owned media within organisation? (e.g. desktop and mobile site and apps, Facebook, LinkedIn, Twitter, etc).</td>
<td>40%</td>
</tr>
<tr>
<td>Insufficient joined up thinking leading to poor integration.</td>
<td>38%</td>
</tr>
</tbody>
</table>
Although best practice advice usually recommends a planned approach to digital marketing using the dynamic benefits of digital technology to optimise campaigns and creative, many felt that organisations weren’t devoting enough time to this. Around 40% believed that insufficient time was spent on planning and optimisation to improve ROI.

**RECOMMENDED RESOURCES**

**Structuring digital teams and job descriptions**

We have developed a series of templates to help define the best ways to manage digital marketing. These are:

- Digital marketing team structure toolkit
- Digital marketing job descriptions and roles template
- Business case template
Development of skills and talent within marketing employees will help companies compete through a better quality of digital marketing. Given this, we wanted to explore the personal challenges for marketers of keeping up-to-date and the skills requirements.

Across respondents to the survey nearly 60% of peoples’ time is now devoted to digital marketing activities, showing the importance of skills development in this area.

We asked about specific personal needs for skills development. Many marketers are now confident in their knowledge of digital channels with nearly half (46%) saying they are confident, with in-depth knowledge or sufficient knowledge for what they need across different digital marketing techniques. However, there is still hunger for new learning, particularly in Big Data and CRM (62% want to improve their knowledge), content marketing (55%), digital strategy (52%) and social media marketing (48%).
Given the range of potential techniques to master there has been much talk within digital marketing of the necessity for marketers to broaden their skill-sets and to embrace and learn broadly, while focusing on key areas – to become a T-Shaped Marketer.

The T-Shaped Marketer is a marketer that has broad knowledge covering a wide range of digital tactics with in-depth knowledge in 1 or 2 specific areas.

This representation of the T-Shaped marketer shows content marketing at the heart of the skill set. When we discussed this on our blog, some suggested that a “W-Shaped” marketer is closer to the mark with several core competencies required, for example an analytical approach should be a common feature in addition to SEO, Content or UX, for example.

**RECOMMENDED RESOURCES**

TFM&A Insights Content Skills Assessment Tool

Luke Bilton, Director of Digital and Content for UBM Live has developed this free tool to score content marketing competence available from TFM&A Insights.

- Download Content Marketing Skills Assessment Tool

* Smart Insights: Are you a T-Shaped Marketer?
Which are the most effective digital marketing channels to invest in?

To choose the right level of investment in digital marketing requires an assessment of which channels will produce significant volumes of leads and sales at an acceptable cost per acquisition (CPA) for new customers. Reviewing your marketing channels through comparing these two factors shows which channels warrant most investment.

The most effective channels as rated by our respondents for their expected performance in 2015 are shown in the chart below.
The assessments by marketers of channel effectiveness are consistent with the patterns reported for driving visits across websites reported by SimilarWeb - use this tool for comparing to competitors. Search and direct visits are the main traffic drivers, with Social media marketing and display also low. Email is included within the referrals category in this example - so this can’t be compared to the reported data from marketers in our study.

Within the retail sector, the volume of search is even higher - the example data below shows sources of visits for US retail site visitors.
Here is the full reporting of media effectiveness from rating each channel on a 5 point scale.
BEST PRACTICE TIP 5
Review channel volume against ROI to select the best mix

You can plot volume of leads and sales for different digital media on the horizontal axis against cost-effectiveness on a vertical axis. You should review specific ad network placements such as AdWords remarketing or paid social media marketing techniques. See our Content Distribution Matrix infographic for an example.

The research shows the ongoing importance of the core digital marketing channels with Email marketing rated highly or very effective by 52% of respondents followed by SEO (45%) and Adwords (34%). Organic use of social media wasn’t far behind with 33%, but with only 21% believing paid social media was effective.
We also asked how allocation of investment in digital channels would vary in 2015 which is an alternative view on the most effective techniques. Many marketers are planning to increase investment across these channels with Email marketing (59%), SEO (51%) and AdWords (46%) leading the pack.
Finally, we also reviewed the breakdown of intended Paid and Earned media investment.

**Paid media**

There are a substantial proportion of businesses that don’t use each of the paid media options shown in the next chart. However, a large proportion of businesses are looking to increase investment in paid media, particularly for advertising in social media, a significant trend for 2015.

**Use of data for targeting**

We also looked at innovation in using data for targeting. Learning about data, CRM and Marketing Automation was seen as a great interest in 2015. The results show that, overall businesses are long way from the 360 degree customer view and personalised customer lifecycle marketing that many have discussed for a long time.

![Data-driven marketing - how well are you able to target your audience?](chart.png)
Earned media

Within earned media we reviewed a range of content marketing techniques in our 2014 report (omitted in 2015 for brevity). Across these content formats the majority of marketers said they would increase investment in these tactics.

How will investment in these earned media approaches change (2014)?
Are marketers managing digital marketing activities continuously?

The opportunity to dynamically update and test digital media has always been claimed to be one of its main benefits compared to traditional media, so we were interested to see to what extent companies have processes in place to manage this continuously. The concept of **Always-on marketing** has emerged to show a change in emphasis from burst marketing campaigns to generate awareness and response to investment in marketing activities which continuously drive and meet changing demand for products and services as consumers search and review products and services, what Google has called the Zero Moment of Truth (ZMOT).

For Always-on marketing to be effective, efforts should be made to increase the effectiveness of different digital channels through testing, review and optimisation. We explored the use of digital marketing optimisation through a question which reviews the use of testing across channels. The response to this question shows a core group of respondents have moved beyond intermittent to more regular structured testing and optimisation programmes.

A relatively small proportion (around a quarter to a third of companies) have embraced optimisation with these leaders running frequent tests or continuously optimising. The percentage of leaders who optimised individual channels using continuous optimisation or structured tests were. There was no significant increase from 2014.

- Website (Desktop experience) 30%
- Mobile (Mobile site and/or apps) 21%
- Landing pages 29%
- Email marketing 35%
- Social media marketing 29%
- Content marketing 28%
- Paid digital media 30%
Here is the full breakdown of planned structured optimisation tests for 2015.

### Always-on marketing and Digital Agility - use of structured optimisation tests to improve results

<table>
<thead>
<tr>
<th>Category</th>
<th>1 No Optimisation</th>
<th>2 Some limited</th>
<th>3 Intermittent optimisation projects</th>
<th>4 Frequent tests</th>
<th>5 Continuous optimisation</th>
<th>5 Don’t use or N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid digital media</td>
<td>21%</td>
<td>21%</td>
<td>17%</td>
<td>12%</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>Content marketing</td>
<td>18%</td>
<td>24%</td>
<td>25%</td>
<td>16%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Social media marketing</td>
<td>16%</td>
<td>28%</td>
<td>22%</td>
<td>17%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Email marketing</td>
<td>11%</td>
<td>21%</td>
<td>27%</td>
<td>22%</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Landing pages</td>
<td>17%</td>
<td>26%</td>
<td>23%</td>
<td>16%</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Mobile (Mobile site and/or apps)</td>
<td>22%</td>
<td>25%</td>
<td>19%</td>
<td>11%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Website (Desktop experience)</td>
<td>13%</td>
<td>24%</td>
<td>28%</td>
<td>13%</td>
<td>17%</td>
<td>4%</td>
</tr>
</tbody>
</table>

---

**Website (Desktop experience)**

- **1 No Optimisation**: 0%
- **2 Some limited**: 10%
- **3 Intermittent optimisation projects**: 20%
- **4 Frequent tests**: 10%
- **5 Continuous optimisation**: 10%
- **5 Don’t use or N/A**: 0%

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**Mobile (Mobile site and/or apps)**

- **1 No Optimisation**: 0%
- **2 Some limited**: 20%
- **3 Intermittent optimisation projects**: 20%
- **4 Frequent tests**: 10%
- **5 Continuous optimisation**: 20%
- **5 Don’t use or N/A**: 0%

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**Email marketing**

- **1 No Optimisation**: 10%
- **2 Some limited**: 30%
- **3 Intermittent optimisation projects**: 20%
- **4 Frequent tests**: 10%
- **5 Continuous optimisation**: 10%
- **5 Don’t use or N/A**: 0%

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**Social media marketing**

- **1 No Optimisation**: 10%
- **2 Some limited**: 30%
- **3 Intermittent optimisation projects**: 20%
- **4 Frequent tests**: 10%
- **5 Continuous optimisation**: 20%
- **5 Don’t use or N/A**: 0%

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**Content marketing**

- **1 No Optimisation**: 10%
- **2 Some limited**: 30%
- **3 Intermittent optimisation projects**: 20%
- **4 Frequent tests**: 10%
- **5 Continuous optimisation**: 10%
- **5 Don’t use or N/A**: 0%

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**Paid digital media**

- **1 No Optimisation**: 10%
- **2 Some limited**: 30%
- **3 Intermittent optimisation projects**: 20%
- **4 Frequent tests**: 10%
- **5 Continuous optimisation**: 10%
- **5 Don’t use or N/A**: 0%
It seems that many marketers are frustrated by the barriers to innovation in digital marketing. How could this be changed? We wondered which factors are limiting innovation. The main factors limiting innovation are shown below (Surveyed in 2014).

Which single factor restricts the trialling of new innovations?

- Company-level budget restrictions / no budget (37%)
- Lack of process / methodology / measurement for making the case and selection (12%)
- Multiple decision makers in different silos – sales, marketing, digital marketing, Ecommerce, IT (20%)
- Requires IT approval (4%)
- Attitude of senior management to investing in innovation, e.g. MD, CEO, CFO, CMO, CIO (9%)
- Other (17%)

It is expected that budget limitations may restrict innovation, but lack of process to encourage innovation and trial can be addressed.

BEST PRACTICE TIP 6
Identify flexible processes that encourage trial and innovation

Finding methods to encourage trial and innovation of new digital media technologies and media should be explored by managers given the rate at which digital media change. This gives both opportunities through gaining cut-through via new media and content formats and counters the threats through changes to algorithms affecting visibility in search and social media marketing.
The survey was completed online during November and December 2014. In this section we summarise the characteristics of respondents to the survey.

**Respondent profiles**

We surveyed Smart Insights Expert members who are based around the world and previous attendees of Technology for Marketing and Advertising, which is a conference based in the UK, so the emphasis is on UK attendees.

Since this research explores how digital marketing is managed, our research focuses on the views of marketing managers, digital marketing managers and company owners.

**Which of these best describes your role? (Mandatory)**

<table>
<thead>
<tr>
<th>Role</th>
<th>Answers</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>765</td>
<td>148</td>
<td>19%</td>
</tr>
<tr>
<td>Owner / Proprietor</td>
<td>112</td>
<td>112</td>
<td>15%</td>
</tr>
<tr>
<td>Digital Marketing Manager</td>
<td>104</td>
<td>104</td>
<td>15%</td>
</tr>
<tr>
<td>Head of Department</td>
<td>84</td>
<td>84</td>
<td>11%</td>
</tr>
<tr>
<td>Digital Marketing</td>
<td>62</td>
<td>62</td>
<td>8%</td>
</tr>
<tr>
<td>Other option</td>
<td>56</td>
<td>56</td>
<td>7%</td>
</tr>
<tr>
<td>Marketing Executive</td>
<td>50</td>
<td>50</td>
<td>7%</td>
</tr>
<tr>
<td>Consultant</td>
<td>49</td>
<td>49</td>
<td>6%</td>
</tr>
<tr>
<td>Board Director / CEO</td>
<td>44</td>
<td>44</td>
<td>6%</td>
</tr>
<tr>
<td>Student</td>
<td>21</td>
<td>21</td>
<td>3%</td>
</tr>
<tr>
<td>Ecommerce Manager</td>
<td>20</td>
<td>20</td>
<td>3%</td>
</tr>
<tr>
<td>Non Board Director</td>
<td>15</td>
<td>15</td>
<td>2%</td>
</tr>
</tbody>
</table>
Our respondents are typically experienced in marketing, with nearly two thirds having more than five years experience and over a third having more than 10 years experience.

**Types of business**

Businesses respondents represented a wide range of sectors and sizes including Retail, Financial services, Consumer brands, travel and public sector/education.

Size of company was assessed based on the resources devoted to marketing in terms of spend on marketing services and media. Spend on marketing services was skewed towards smaller businesses, but with 52% of respondents planning to invest more than £50,000 on external marketing services and media in 2015.

We also wanted to assess the relative importance of digital marketing in terms of dedicated resources for digital marketing. To do this we asked how many people worked in the marketing team overall and how many were focused primarily on digital. We explore this further in the section on resourcing (section 3).