

March 2014

Digital iSkills Survey

 **e marketeers**

in association with Home of Social



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About the survey

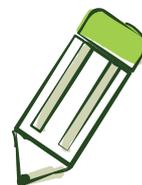
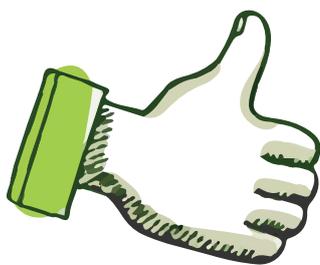
The first annual Emarketeers digital iSkills survey was conducted between September and November 2013, in association with Home of Social. The survey polled 108 people from a variety of sectors and size of organisation, within the digital marketing community.

Survey respondents were drawn from a broad range of industry sectors. 39% of those polled were at senior manager or executive level within their organisation, with 47% working in the pure play marketing sector and 24% within digital services. The majority of respondents were based in London and South East.

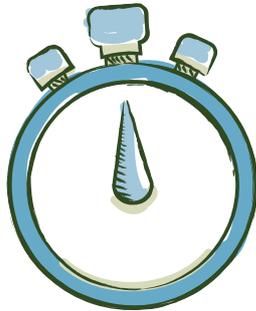


Executive summary

Based on last year's performance, 2014 is predicted to be another good year for the UK Advertising industry with digital marketing at the forefront of growth. However, the Emarketeers iSkills survey indicates that the industry may not be well prepared for this accelerated development. There are five key findings outlined in our executive summary, and we have produced the iSkills 6 Steps to Success for Digital in 2014, as a response to these.



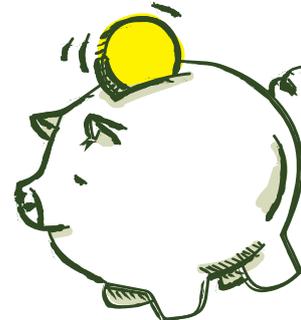
Progress hampered by lack of Resource, Skills and Funding



Resource
and time



Skills and
knowledge



Budget
and cost

Resourcing for digital and social media teams is still low, as 52% of people polled said their company had a dedicated digital team while 46% had a dedicated social team. This could potentially represent a significant lost opportunity and with record growth figures predicted, existing teams could well find themselves overstretched.

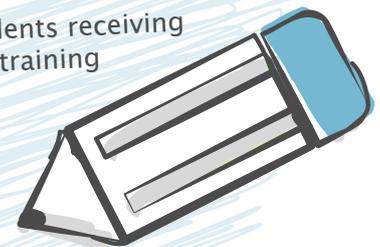
In addition, funding digital marketing is an increasing challenge, in part due to lack of accountability and transparency of the ROI digital marketing delivers. Consequently, embedding achievable and measurable metrics in all activity, and understanding the tools and techniques to achieve this, will undoubtedly help drive digital further in the next year.

Training and Skills Development a Low Priority

Confidence in knowledge and expertise is much higher in the broader digital marketing sector than in social media or mobile. The survey findings show that there is a wide range of skills knowledge, but this is focused more on the strategic side of digital marketing. Formal training is low on the agenda of some companies, with only 75% of respondents receiving any training and investment per capita at under £300. Digital marketers are largely in charge of their own development at the moment using virtual and self service tools for development.

75%

Of respondents receiving
any training



Skills Shortage Identified

One of the surprise findings of the research was that only 20% of organisations are planning to recruit in 2014 and this is out of step with revenue growth predictions of 20%. While the economy is bouncing back, digital marketing is suffering from a skills shortage as senior roles are left unfilled, which may really stunt business growth in 2014.

The study looked at 11 potential areas of focus and found

20%

Of organisations are planning to recruit in 2014

Social Media High on the Agenda

that social media has become the lead priority with 15% of those polled placing this at the top of their priority list with owned and earned media the highest consideration. Behind this, content management and email marketing feature strongly as digital strategies.

The top digital marketing priorities are visibility, performance and measurement, with an optimum web site populated with SEO friendly content as two of the key ambitions. When asked about social media, the respondents revealed that strategy is the number one priority. Social media has been adopted by 86 of the organisations, and Twitter appears to be the most universal social media channel, with LinkedIn and Facebook also used by the majority of them.



Opportunities for social, content and agencies

On the topic of opportunities for digital marketing, respondents were very clear when asked for their opinions, the integration of the old and new loom large on the horizon for them in 2014; specifically when it comes to the blending social media and content marketing into the mix.

Agencies are also set to benefit as activities such as SEO, PPC, web/content management and social media are being outsourced.



iSkills 6 steps to success for digital in 2014

step 1

Skills Shortage

Expedite knowledge transfer, grow and nurture talent

step 2

Resource

Bolster up teams, boost training and rethink recruitment strategy to address the gaps



step 3

Funding

Invest in understanding digital; accountability and transparency of ROI to unlock budgets



step 4

Training

Prioritise training to close skills gap, create more formalised training programmes

step 5

Integration

Build strong internal relationships for greater digital integration, and focus on blending the new and traditional disciplines

step 6

Outsourcing

Look for agencies with the right mix of services to close gaps but develop relationships as a partnership too



The state of digital marketing

Based on last year's performance, 2014 is predicted to be a good year for the UK Advertising industry with digital marketing at the forefront of growth and outperforming other sectors such as magazines, radio and cinema.

The Q3 2013 Bellwether Report¹ into quarterly marketing spends, published in October 2013, revealed 12.3% of companies registering an increase in budgets during Q3 2013. Real UK ad spend growth is now projected to be 2.4% in 2013 and 3.6% in 2014. By sector, the internet saw its budgets grow more than any other category.

UK advertising forecasts for 2014 have now been revised to all time high of £18.7bn according to the latest Advertising Association/Warc Expenditure Report². Total ad spend was £8.54bn in H1 2013 following growth of 2.3% in 2012 when spend reached £17.2bn, returning to pre-recession (2007) levels. The H1 increase was driven by growth of internet pure play (+16.3% YOY), with strong growth for mobile (+128%) and search (+18%). Interestingly, WPP GroupM³ futures division predicts that UK

measured ad spending in 2014 will increase 6 percent to £14.8 billion and eclipse the previous peak of £13.1 billion in 2007.

On a broader level, Digital Economics & O2⁴ research revealed the need for more than three quarters of a million digitally skilled workers by 2017 to satisfy the UK's digital potential worth £7bn a year, with a further £4bn opportunities identified within the research. The National Institute of Economic and Social Research Measuring the UK's Digital Economy with Big Data⁵ research released in 2013 showed the digital economy is largely underestimated as companies are increasing digital services beyond traditional categories. Digital companies make up 14.4% of British business with a higher growth rate for digital companies (20%) against 16% in the rest of the economy.

AA/WARC H1 2013 and full year forecasts

	Yr-on-yr % change	
	H1 2013 (actuals)	FY 2013 (forecast)
TV*	2.1	5.3
Radio	-6.6	-2.1
Out of home	3.1	-1.8
Newsbrands	-7.4	-6.4
Magazine brands	-7.5	-5.6
Cinema	-9.0	-15.0
Internet**	16.3	13.2
Direct mail***	-1.5	0.0
TOTAL	3.0	3.3

With these facts and figures in mind, this report has set out to understand what shape the digital marketing industry is in when it comes to skills, experience, resource and recruitment.

2014 Opportunities

On the topic of opportunities for digital marketing, respondents were very clear when asked for their opinions, the integration of the old and new loom large on the horizon for them in 2014; specifically when it comes to the blending of social media and content marketing into the mix. This is supported by recent research by the Content Marketing Institute/DMA⁶, which shows that 88% of UK marketers are now using content marketing, and 56% of these plan to increase budgets within this area this year.

Those polled also expressed a desire to be more creative and innovative with digital – be that budget optimisation or fuller integration with other activities, or having more content that clicks. Also featuring highly on the list was readiness for the new technologies coming into play and advances in social media, both from an accountability and implementation point of view. Having platforms that show responsive design is critical, and this was especially true of the mobile sector.

Integration

How digital needs to change – the enlightened view:

‘Viewing digital in silos needs to be consigned to a thing of the past. On the digital wish list for 2014, integration, or ‘joining up the dots’ features very strongly.’

‘Transforming digital to become an integrated part of the marketing mix across all parts of the business’ will be the key to success in 2014.



*Senior Manager,
Airline Industry*

Content really is king in the digital world but it is critical that once developed, content strategies and content planning are woven through each business integrating all of the disciplines such as SEO, Social Media and PR. Utopia is the ability to build multi-channel campaigns which maximise engagement throughout the purchasing cycle and enable better conversion, and ultimately a better customer experience.

2014 Barriers

Breaking down the barriers for 2014

For the business to fully embrace all aspects of digital marketing - especially social. To see that all channels should work holistically together, including more traditional digital channels like email.

*Digital services manager,
Trade & Development organisation*



Those surveyed were asked about the barriers to spending on digital marketing and what they believed would hinder their progress when trying to make the 'big opportunity' predictions they had made for 2014 a reality.

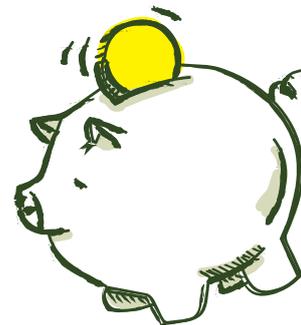
Three key barriers for digital marketing in 2014



Resource
and time



Skills and
knowledge



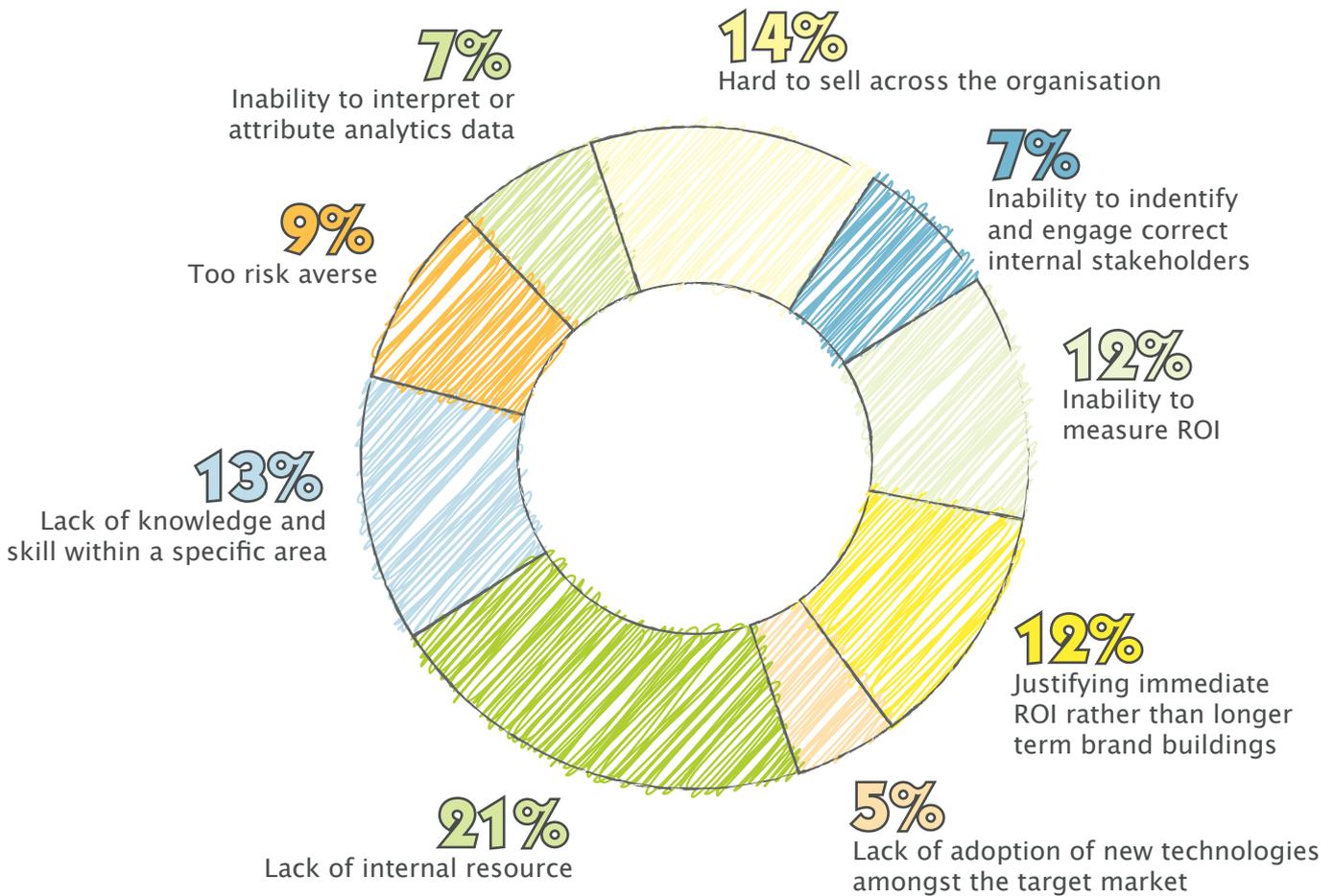
Budget
and cost

The barriers highlighted indicate that digital marketing needs greater investment to find, nurture and grow talent and also to accommodate the needs of the new opportunities now available.

When it comes to digital marketing spend, there were multiple barriers that respondents said they were facing when it comes to securing budgets. While lack of internal resource was the leading barrier at 21%, it seems the combination of justification and measurement of ROI, as well as finding the right internal stakeholders and selling digital into the organisation were formidable hurdles to overcome when seeking approval on projects;

While a leap of faith is needed to allow teams to innovate and pilot new projects, in the austerity of recent times this has not been possible, however it has to be time now for businesses to invest in digital growth.

Barriers to spending in digital marketing



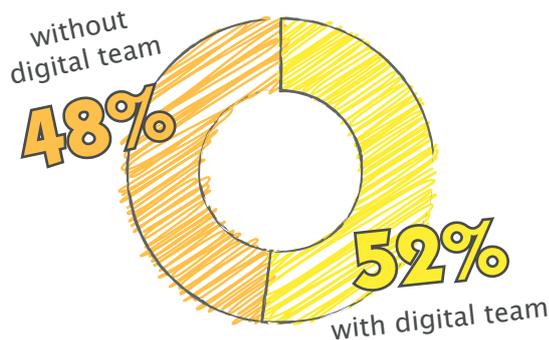
Digital & social resource – prepared for growth?

With social media and content marketing looming large on the agenda for 2014, we were keen to look at how resource is being allocated to deliver on these ambitions as well as the existing priorities and focus areas.

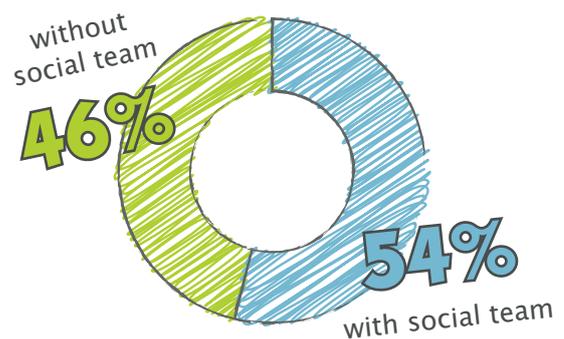
52% of people polled said their company had a dedicated digital team while 46% had a dedicated social team, this 6% difference is quite surprising considering the relatively new arrival of social media as a professional discipline.

While the majority of companies have digital teams, there are still 48% of companies who go without them. This is a lost opportunity as it demonstrates that digital marketing has still some way to go before it hits full potential and penetration and with record growth figures predicted, teams will find themselves overstretched.

companies with a dedicated digital team



companies with a dedicated social media team



We compared the team size for digital and social. It's clear to see that the size of the digital teams demonstrates that this industry sector has become well established with 13% having teams of over 21 people, and 29% have teams consisting of six or more people. Social media teams are in the main much smaller and made up of 1 to five people which doesn't indicate readiness for the fast growth rate predicted for this sector.

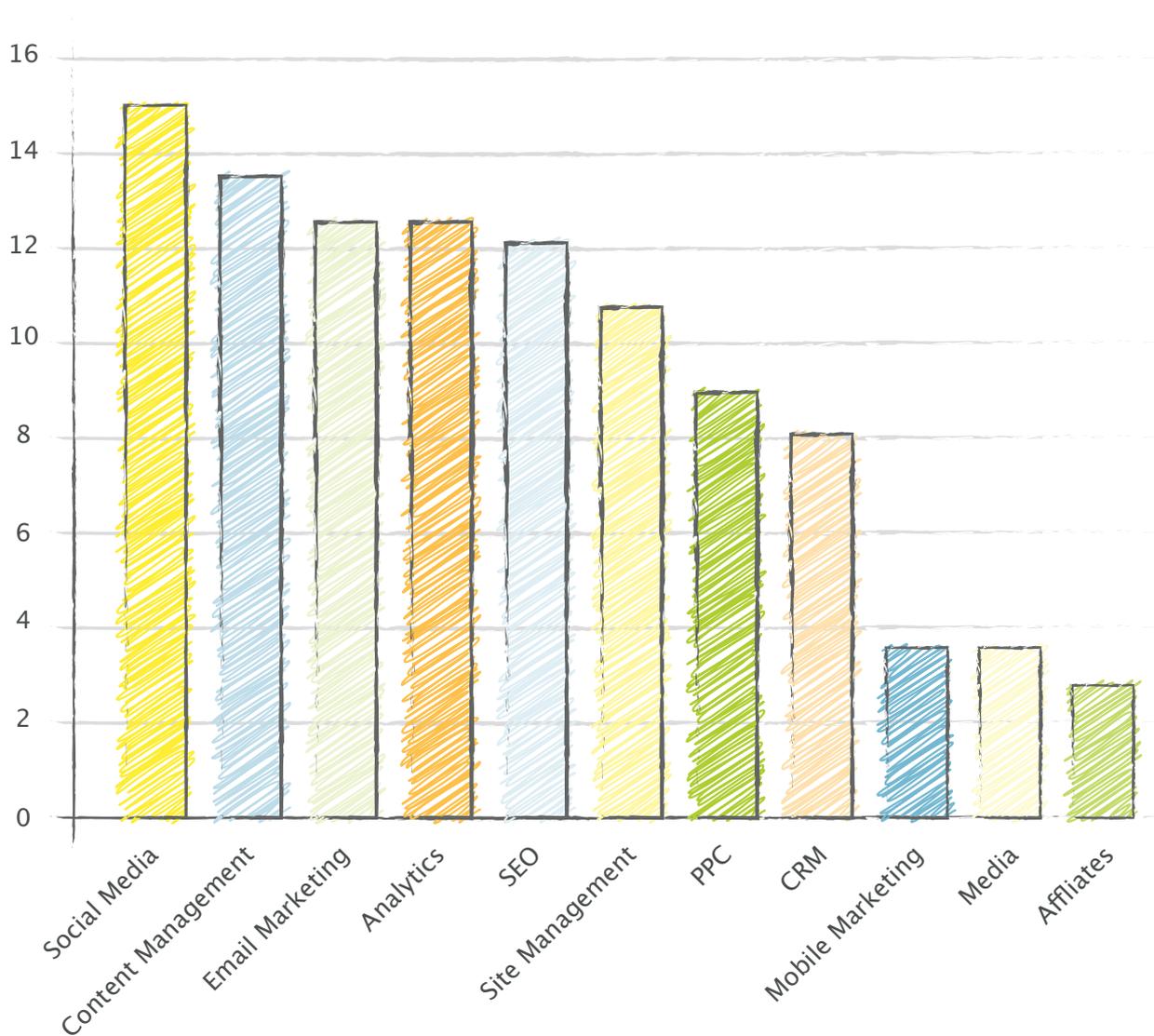
	 21+	 11-20	 6-10	 1-5	 not stated
HEADCOUNT IN DIGITAL TEAM	13%	7%	9%	71%	na
HEADCOUNT IN SOCIAL TEAM	2%	2%	2%	92%	2%

Current popular areas for digital & social

We looked at 11 potential areas of focus and found that social media has become the lead priority with 15% putting this at number one on their lists.

More importantly, owned and earned media are dominant areas with social media, content management and email marketing taking up the top three slots. This combined with site management and CRM stats creates a picture of 57% of activity dedicated towards these areas which somewhat overshadows SEO and paid media such as PPC. Mobile marketing, media (sales and partnerships) all scored 4% or below.

Areas of digital focus by percentage



Top priorities for digital and social for the future

DIGITAL

1. Website
2. SEO friendly content
3. Analytical insights
4. Successful search
5. Email marketing strategy

TOP 5 PRIORITIES

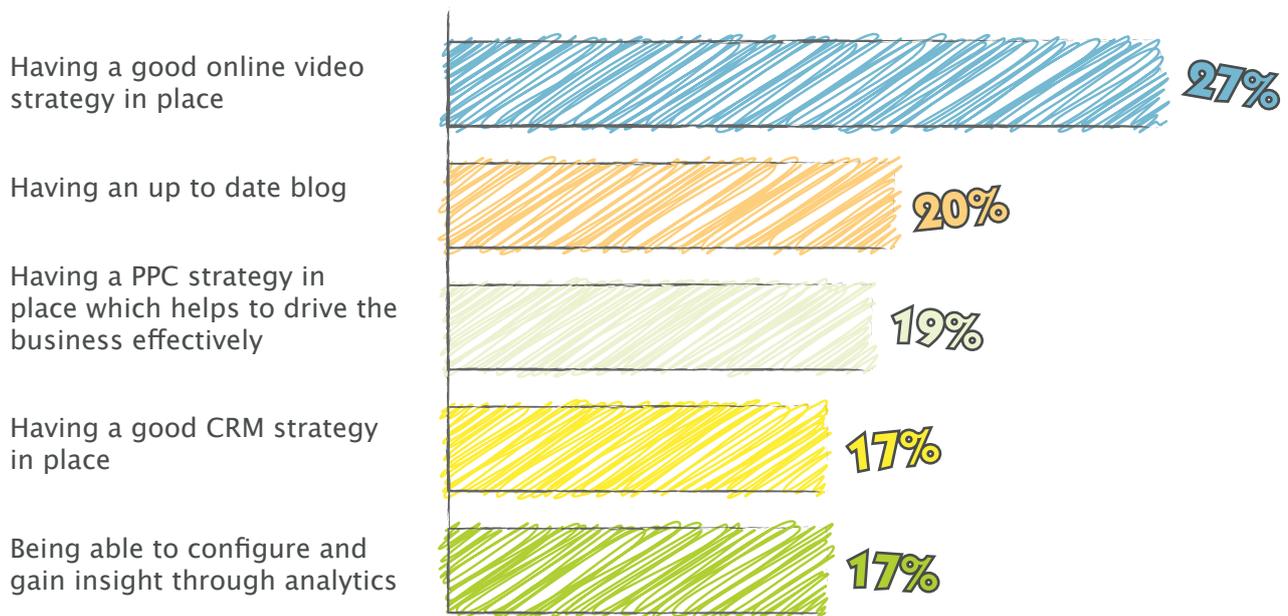
SOCIAL

1. Social strategy
2. Community management
3. Monitoring and reporting
4. Blogging
5. Customer service

The research shows that for now the top digital marketing priorities are about visibility, performance and measurement, with an optimum web site populated with SEO friendly content as two of the key ambitions. More traditional digital marketing activities like search and email still remain important. When asked about social media the responded revealed that strategy is the number one priority, followed by community management.

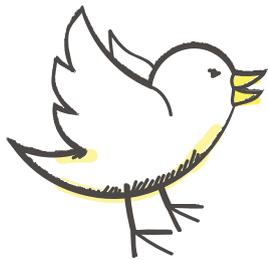
However, this looks set to change this year with marketers looking to be more content driven by focusing on developing video strategies and keeping blogs up to date. PPC, CRM and analytics also figure in this vision for this year.

Digital areas for focus

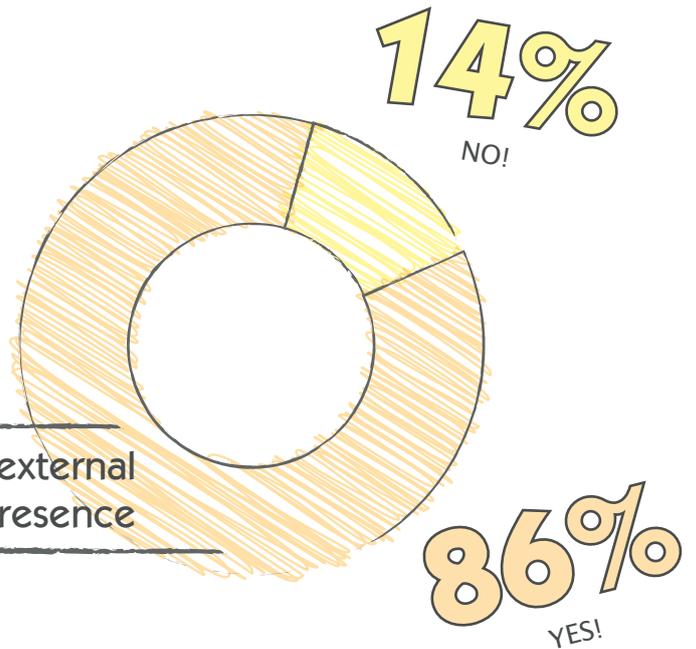


Organisations using social media

Social media has been adopted by 86% of the organisations polled, with only 14% lacking an external social media presence.

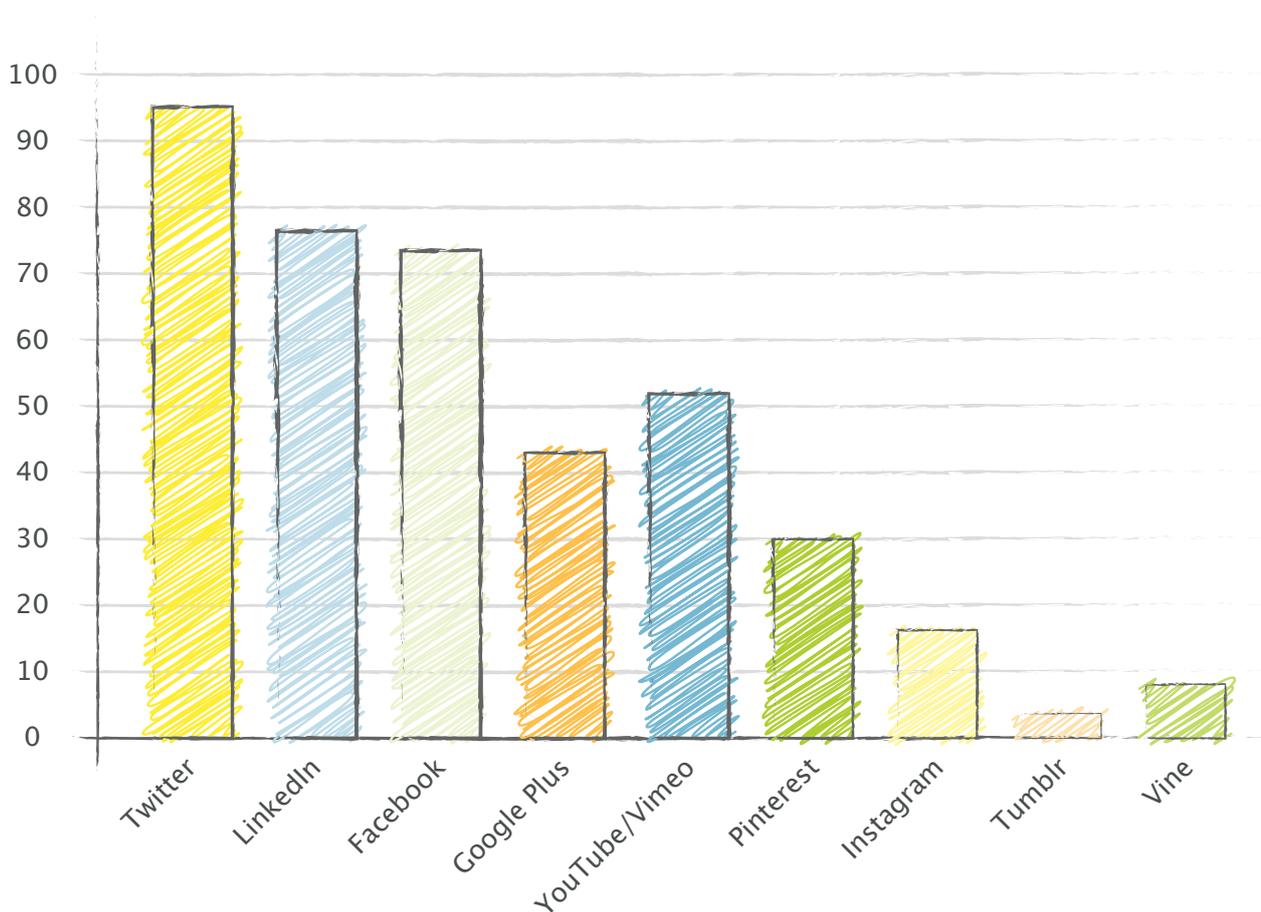


companies with an external social media presence



Social channel usage

Of the companies that do have a social media presence, Twitter appears to be the most universal social media channel with LinkedIn and Facebook also used by the majority of organisations. Video and image sharing platforms such as Vimeo, Vine and Pinterest still have low levels of adoption and this should change in 2014 as many respondents are looking into video strategies to roll out in the coming year.



Digital Knowledge and Execution

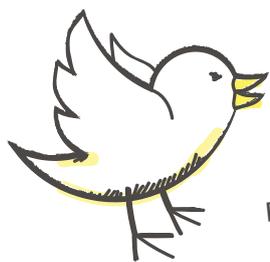
Confidence in knowledge and expertise is much higher in broader digital marketing than in social media or mobile. The survey findings show that there is a wide range of skills knowledge, but this is focussed more on the strategic side of digital marketing, with respondents having less experience of running campaigns such as SEO and PPC than in creating digital and content marketing strategies. Mobile strategies remain fairly low on the list of 'confidence' levels with over half of those surveyed having some knowledge or experience of this area, but only 5% who would class themselves as reaching 'expert' levels. Google Plus for Business and LinkedIn fare similarly, with only 6% professing to know these specific areas at an advanced level.

Conversely, email marketing has gained good traction from a knowledge and experience level, as has Analytics, with just under a third of those interviewed professing 'good experience' within this area.



Social media skills still lagging

Social media marketing is a long way behind digital marketing which suggests that this area would benefit from mentoring and industry wide development initiatives. Only 9 per cent of respondents consider themselves social media experts when it comes to Facebook, Twitter, Google Plus, and LinkedIn. In line with the findings which show that Twitter is the most widely used social media tool, 43 per cent of people said they were either expert or have good experience of Twitter. Social media monitoring and analytics had the highest level of experts with 13% saying they were at expert level in this area.



43%

Expert or good experience of Twitter



13%

Expert at social media monitoring and analytics

Mobile marketing skills still not living up to the 'hype'

Whilst each year is predicted to be 'the year of the mobile', mobile marketing expertise scored very low with knowledge and awareness of it at much higher levels suggesting this is still very much in its nascent stages but is not an area of focus for many. This is quite a reality check as mobile marketing has been talked up for several years now and in reality the marketing industry is just getting on board with social media, with mobile trailing behind it.

Digital Marketing Training – Low investment puts growth in peril

Recent research by Adobe7 showed that marketing executives were lacking confidence in their digital marketing skills and only 3% of those surveyed had in fact received training.

Feedback from the Emarketeers iSkills survey reinforced how low formal training is on the agenda. Whilst 75% of respondents received some form of training, experiences were widely varied with one person stating they had paid for their own training, another that all training was 'on the job', conversely another mentioned there was an agency group university for training which was open to all. While this suggests investment in people is low, it means that career starters may opt to join larger companies when choosing their first or second roles to get the training and support they need to progress.

Maintaining skills

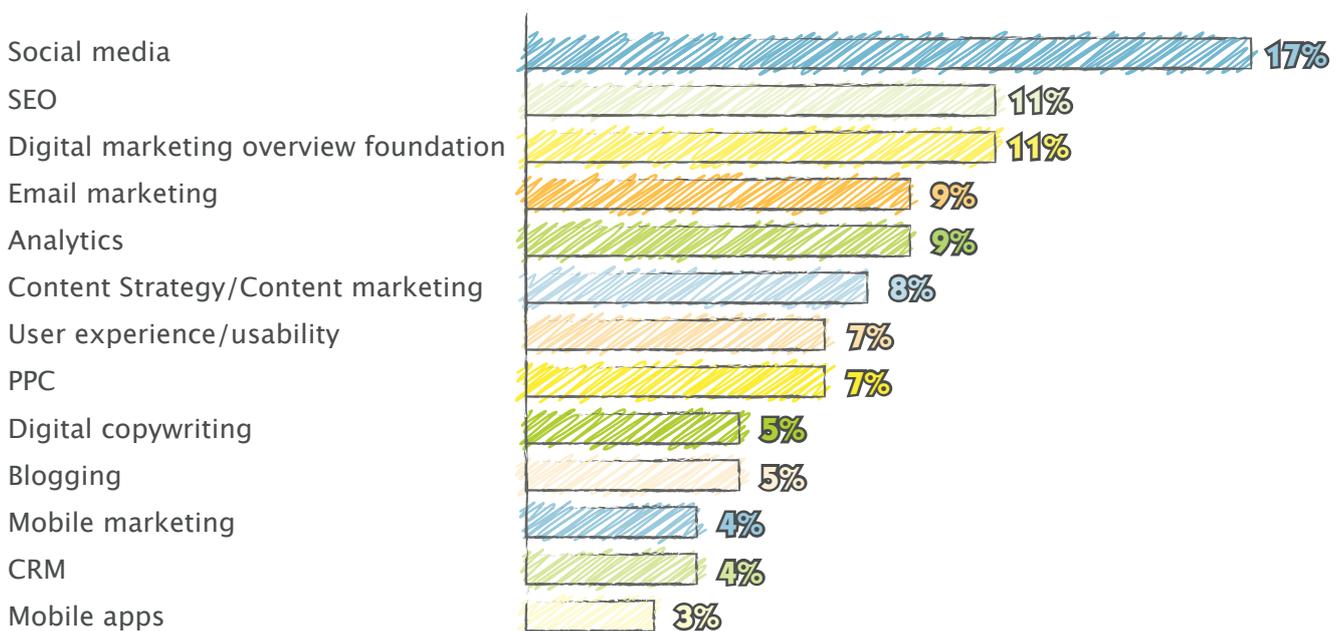
Interestingly, when we look at how people are maintaining skills below, we may find that traditional training structures and protocols have been disrupted by delivery of digital information on demand. However with such lack of investment, the UK industry is in danger of lagging behind and losing out on the growth and financial rewards which are forecast with the upturn in the economy and the projected growth of the digital sector.

41%
have no set training budget

Average spend on training
£258
per head

75%
of respondents received training in these areas

Areas of training received or commissioned



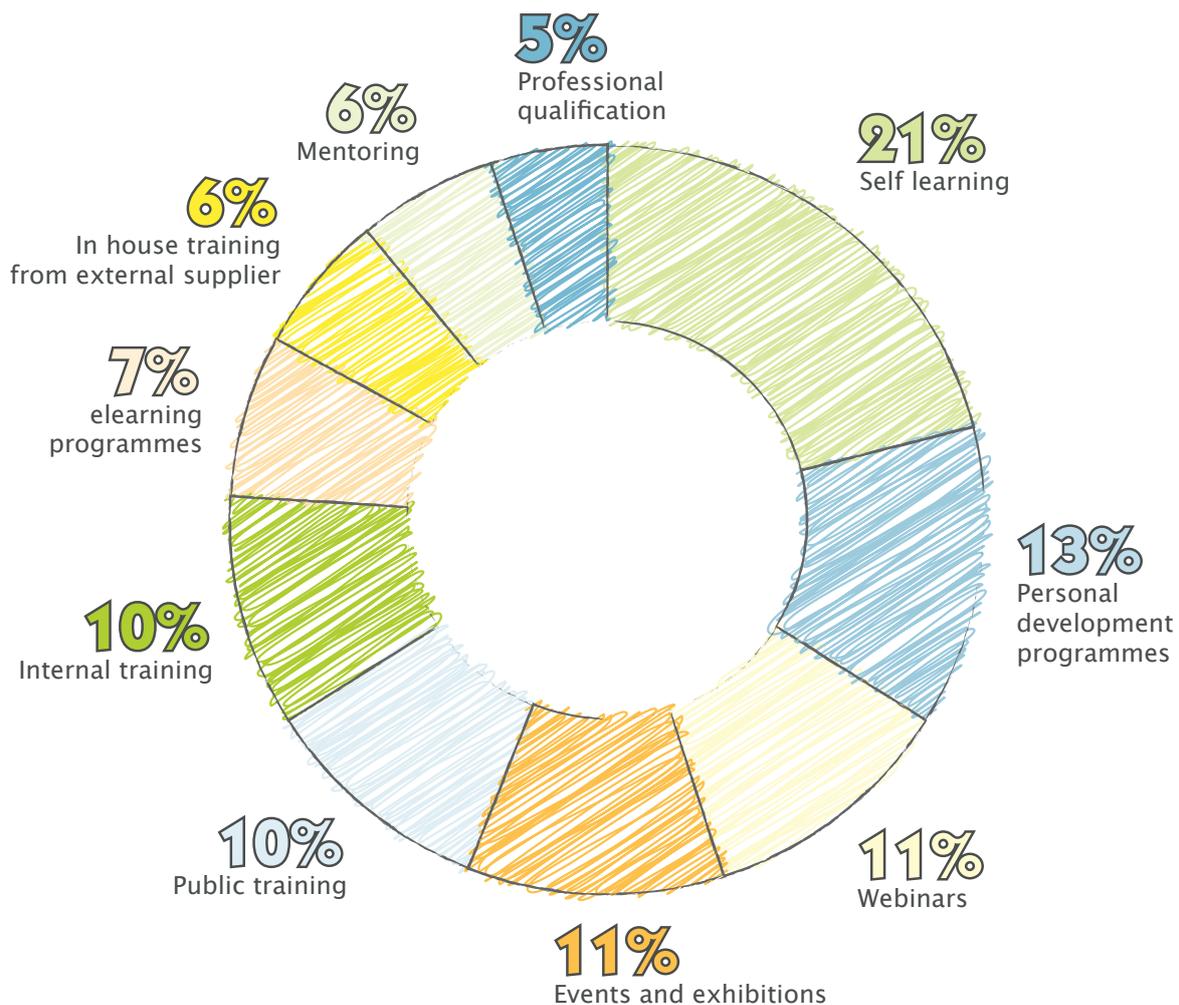
Skills maintenance - Self service model revealed

It's not only marketing that has been revolutionised by the world of digital, skills development has also diversified. Our research shows that digital marketers are largely in charge of their own development.

As we can see from chart below, self learning leads the pack when it comes to development with 21% of respondents claiming this as the main way to learn and grow. Augmenting this data with the statistics from elearning (7%) and webinars (11%), it draws a picture of independently driven virtual and self service development.

At the lowest end of the scale; in-house training from external suppliers, mentoring and professional qualifications make up around 5% each of the learning and development mix. This indicates that there is no standardisation across the industry and as people move roles and into new organisations we can expect to see some blending of skills and experience but this is far from the ideal scenario.

Skills maintenance



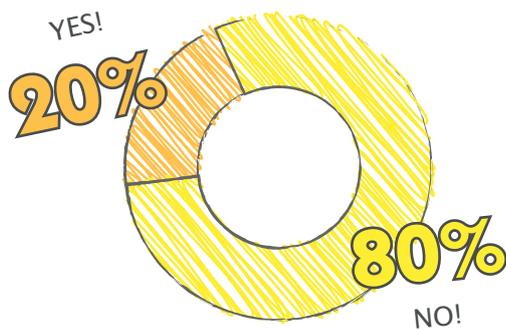
Digital & social recruitment for 2014

One of the surprise findings of the research was that only 20% of organisations are planning to recruit in 2014 and this is out of step with growth predictions of 20%. Upskilling the existing workforce could be a viable option however the training and maintenance of skills findings show clearly that this

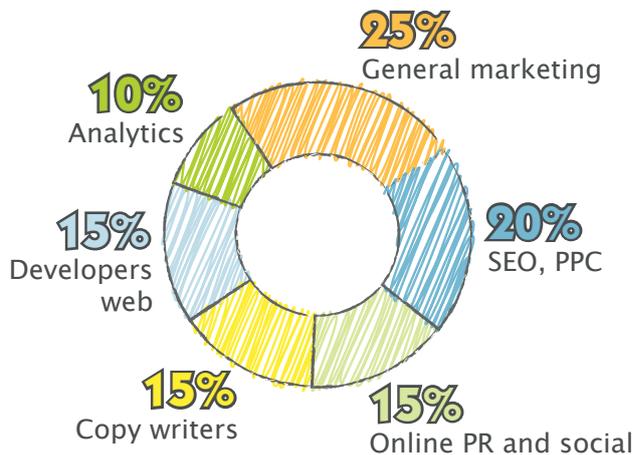
is not currently the priority, which may lead to an increased skills gap.

Where recruitment is planned, this falls into six areas from general marketing roles at all levels through to specialist technical roles. The shortage of experienced candidates is leading to more junior level people asking for larger salaries and unfilled senior roles which in time may lead to learning gaps and ultimately less optimal digital marketing.

Companies planning to recruit in 2014



Roles being recruited for in 2014



"SEO, PPC - finding people with relevant experience"

"Many strong junior candidates, not many at account manager and very difficult to find at account director level, there is a shortage of people at this level so consequently you have junior staff asking for inflated salaries"

"Developers, not many good ones around"



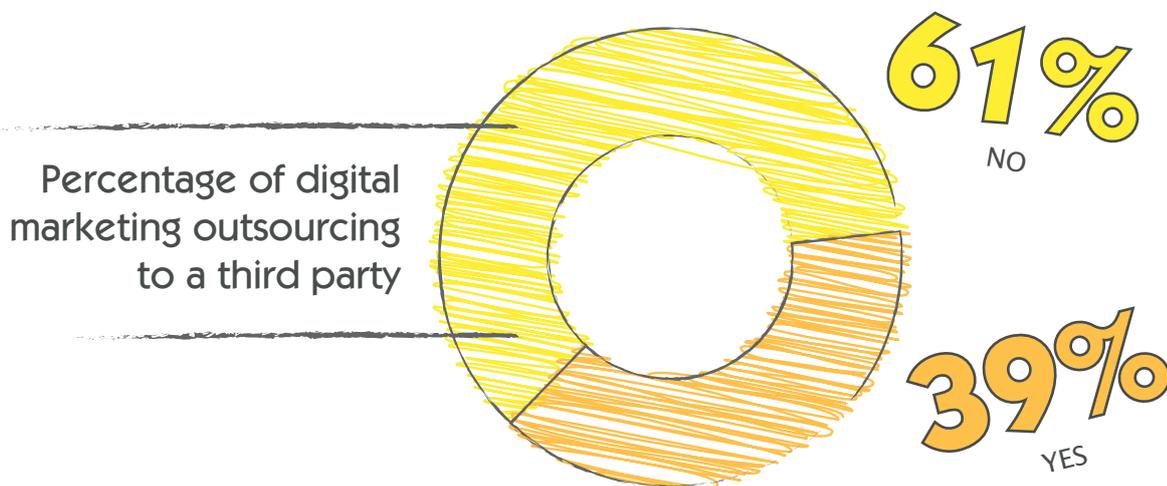
"Strategic planning - shortage in the market"

Digital marketing support

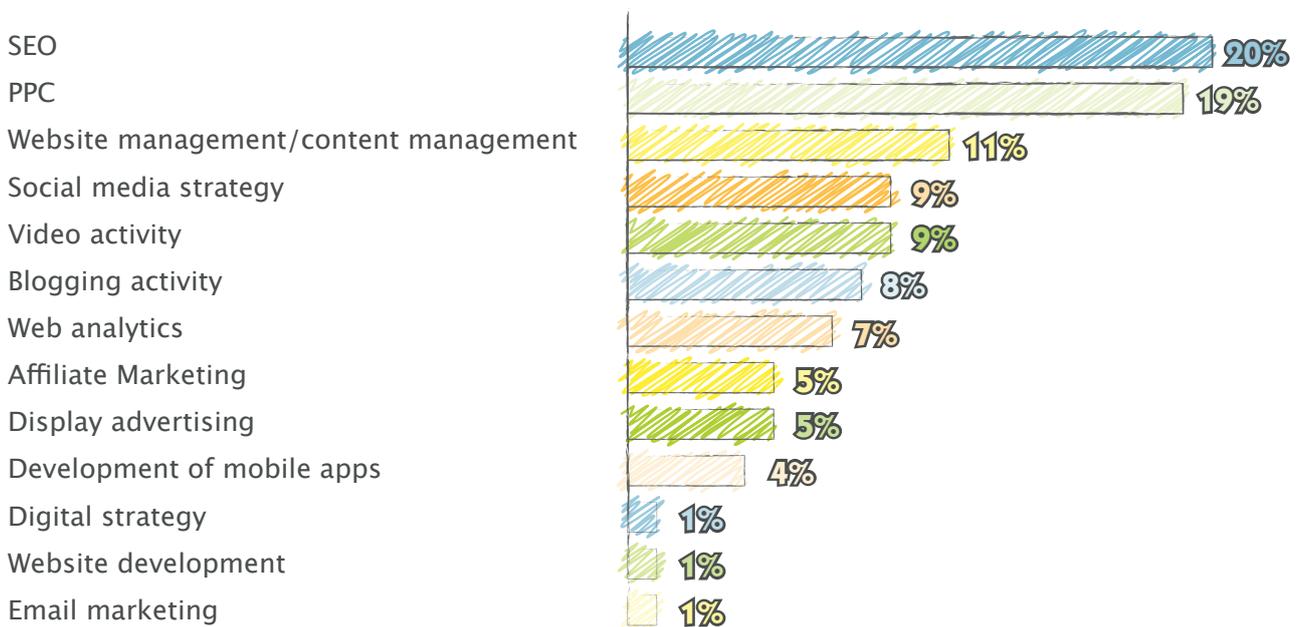
– opportunity for SEO, PPC and social media agencies

Of the skills which are being bought in, SEO, PPC and web/content management scored most highly. New sectors which are set for growth such as mobile, and essential building blocks such as strategy and development scored very low, suggesting that under resourcing and under investment in these areas will lead to stagnation and a lack of innovation without these factors being reconsidered.

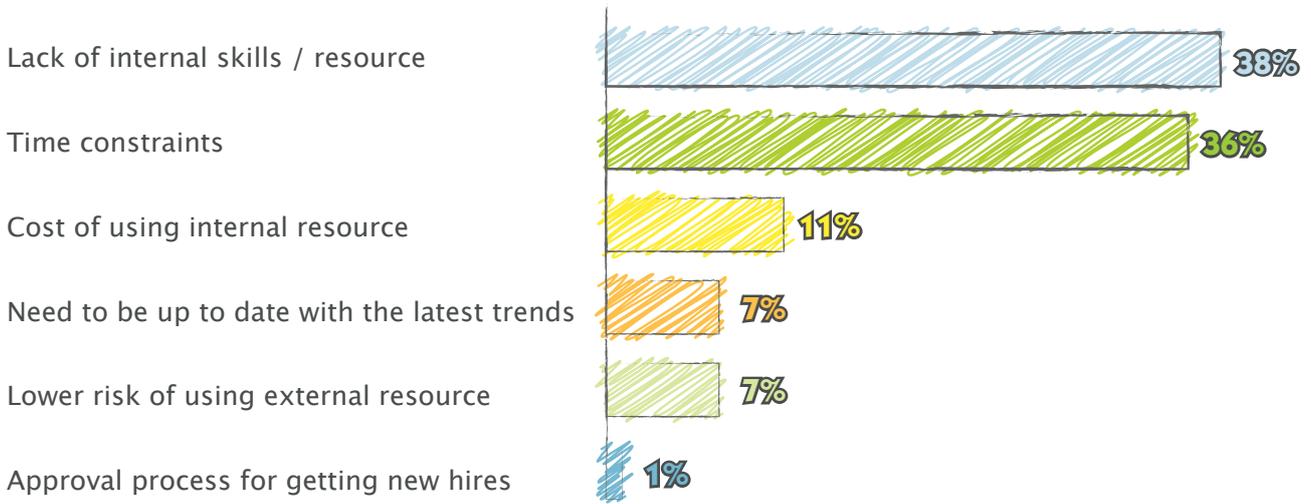
Lack of time, skills and internal resource are the key reasons why companies are outsourcing digital marketing activity suggesting digital teams are forced to buy in services to pick up the slack. This is a business opportunity for agencies offering SEO, PPC, and social media services. However those working with agencies on a partnership basis will find the relationship bears dividends and optimal business returns.



Activities which are outsourced



Reasons for outsourcing digital marketing activity



Home of Social

“In the fast moving world of marketing, digital is the poor relation when it comes to investing in the necessary skills and development needed to advance the quality of the industry as a whole. We’ve all heard the adage ‘time is money’ and these findings highlight that we could be storing up problems for the future by squeezing existing resources too hard and failing to nurture new skills and talent which are so urgently required”

*Eva Keogan,
Home of Social*

TIME OUT

“Time Out has a very strong brand and has to live up to this online by delivering quality, engaging content that reaches existing and new consumers. We invest time and resource into creating this and see 2014 as a really important year for us as we strive for innovation to enhance our offering. We are resourceful and progressive which means we move with the times, and that includes investing in skills so our team is ready to embrace the future.”

*Mark Bower,
Commercial Director,
Time Out*

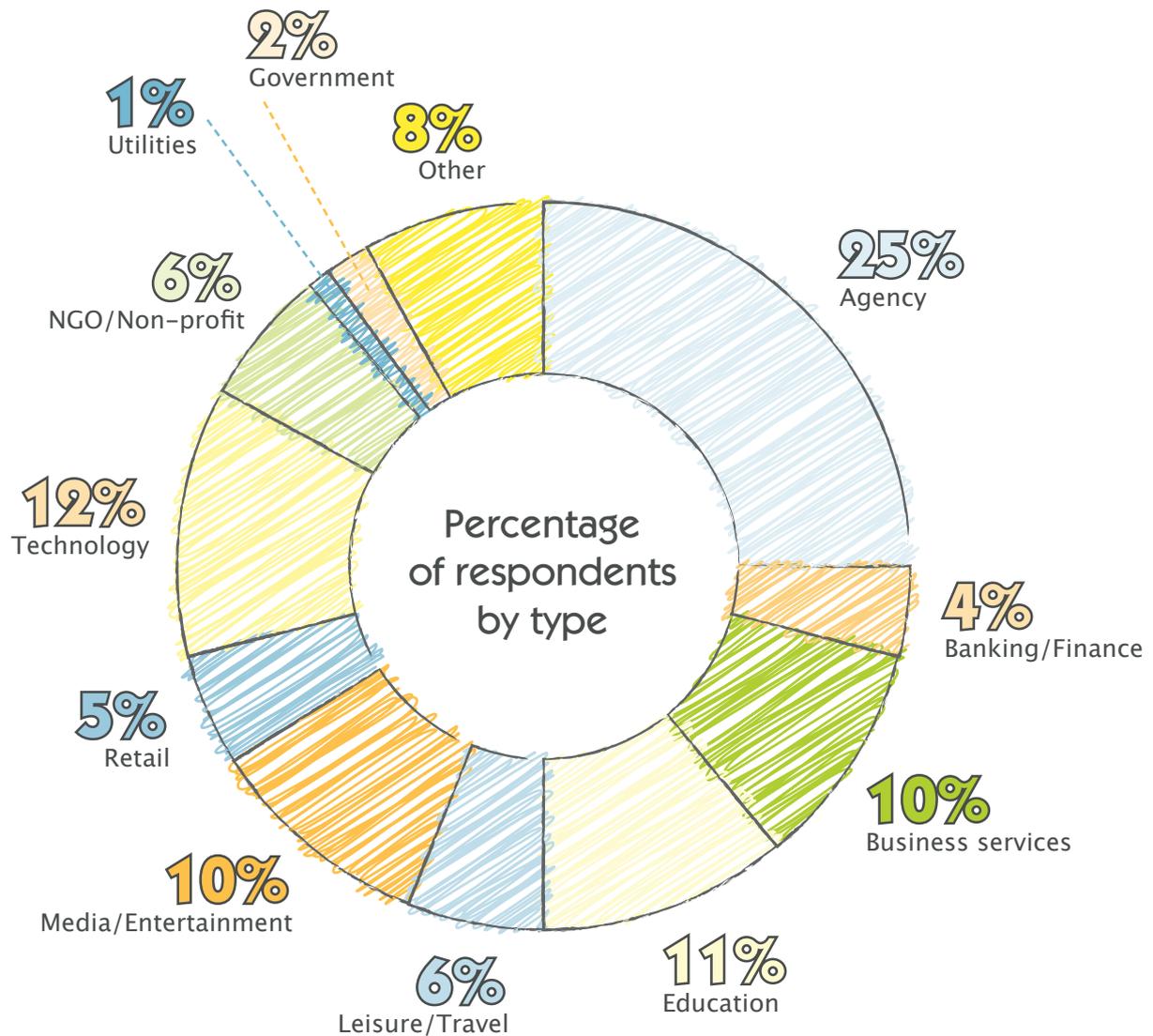
About the Survey

The first annual Emarketeers digital iSkills survey was conducted between September and November 2013. In association with Home of Social, the survey polled 108 people from a variety of sectors and size of organisation, within the digital marketing community.



Type of organisation

Survey respondents were drawn from a broad range of industry sectors as shown below.



Type of organisation

Interestingly by comparing the female and male respondents by age groups, there is a much larger group of females in the 18-29 year old bracket than male (39% v 28%) while in the 45+ age group it is the opposite case. There 42% male respondents in this bracket while only 17% of this group are female. The inference is that women are flocking to digital marketing roles as the younger group consists of junior and managerial roles while in the older segment.



18-29



30-44



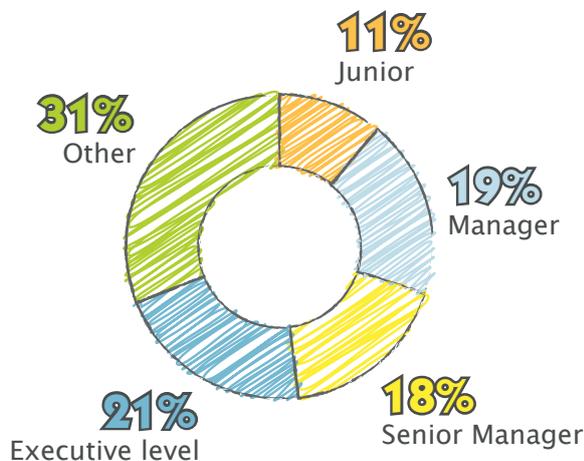
45+

	18-29	30-44	45+
RESPONDENTS BY AGE	35%	38%	27%
FEMALE RESPONDENTS BY AGE	39%	44%	17%
MALE RESPONDENTS BY AGE	28%	30%	42%

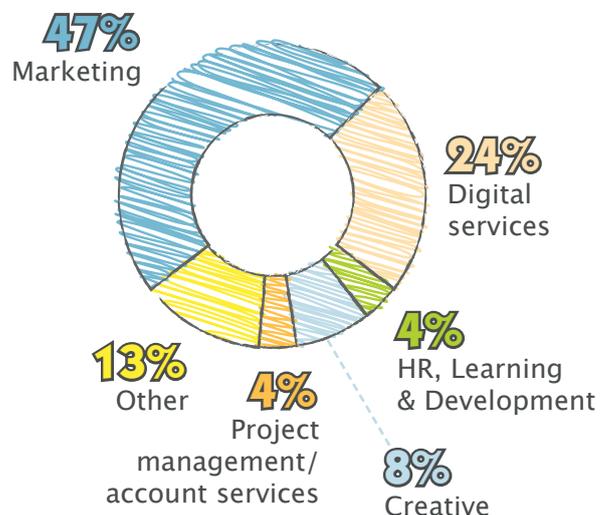
Company Position and Discipline

39% of people polled were at senior manager or executive level within their organisation 30% were junior or manager level, with 47% working in the pure play marketing sector and 24% within digital services.

Current company position



Respondents by discipline



Regional bias

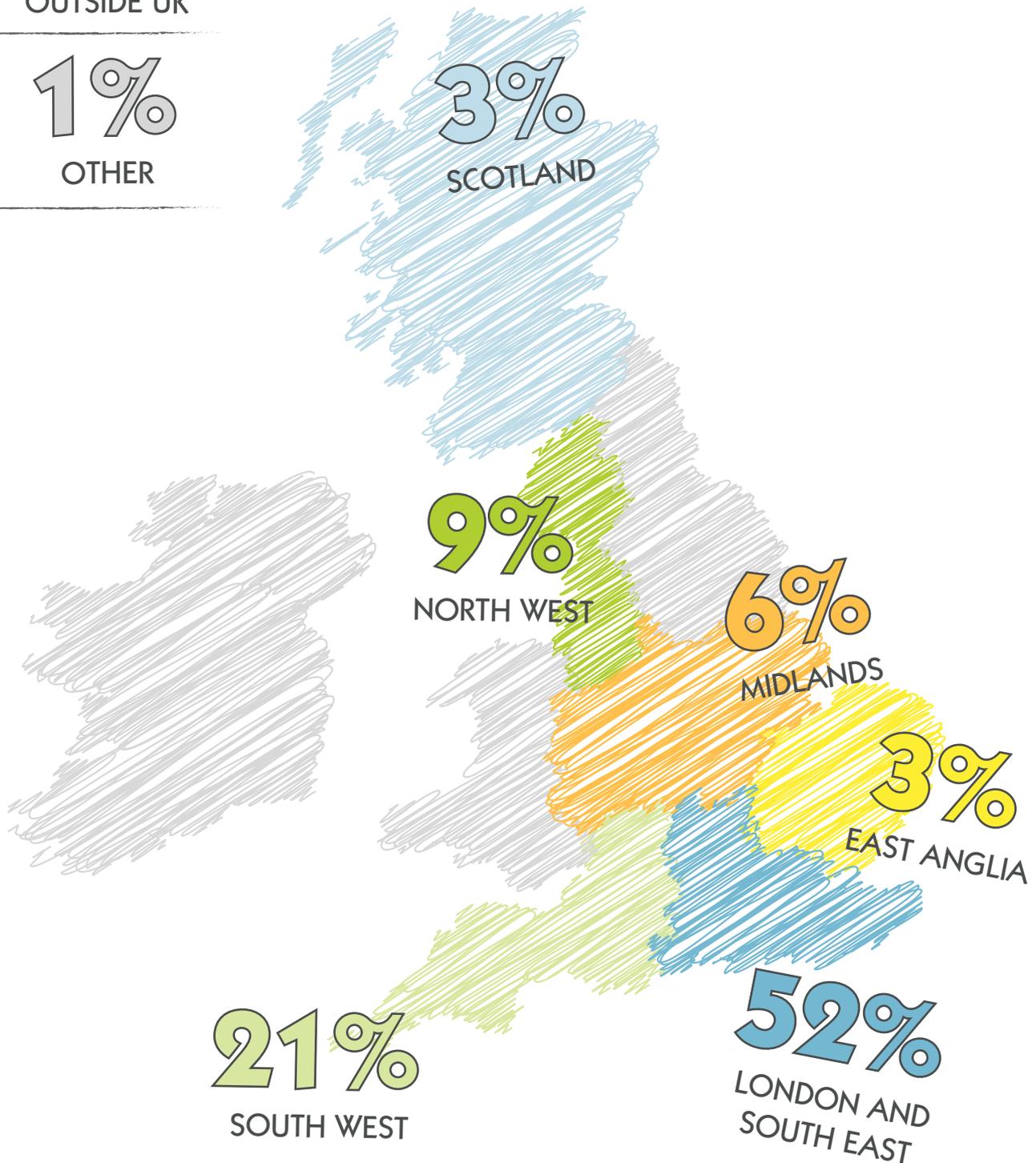
The majority of respondents were based in London and the South East.

7%

OUTSIDE UK

1%

OTHER



References

1. The Q3 2013 Bellwether Report
2. Advertising Association/WARC Expenditure Report UK advertising forecasts for 2014 have now been revised to all time high of £18.7bn
3. WPP GroupM futures
4. Digital Economics & O2
5. National Institute of Economic and Social Research 'Measuring the UK's Digital Economy with Big Data'
6. Content Marketing Institute/DMA UK Research 2014
7. Adobe Senior Marketing research into digital skills

Emarketeers

Emarketeers was founded by Jonathan Saipe in 2007, in order to try and make sense of the often confusing world of digital marketing. The aim was simple – to demystify the digital world and guide people through the maze of tools and techniques and jargon, to make digital marketing as effective as it can be. Emarketeers trains and consults in over 40 specific areas of digital marketing, working with the biggest corporates to small businesses, as well as non-profits, charities and government organisations and those trying to re-skill or up-skill.

www.emarketeers.com

Contact : info@emarketeers.com or tsfern@emarketeers.com

Home of Social

Home of Social creates social currency & digital fluency by offering bespoke, expert services to household names, entrepreneurs and start ups across social enterprises, charities, entertainment, travel and leisure, retail and more. Focusing on social and digital marketing and blending in more traditional skills such as PR and editorial management, Home of Social is helping companies navigate these complex new territories with ease.

www.homeofsocial.com

Contact : eva@homeofsocial.com

Brandwidth

Born out of a merger between an Integrated Marketing Agency and a Digital/Technology Production Company, Brandwidth is an interactive marketing, design and technology consultancy made up of a group of talented, original thinkers, dedicated to increasing the digital reach of world leading brands. Working across multiple platforms and traversing digital channels, Brandwidth's innovative solutions range from award-winning design and digital content, to the inception, creation, build and management of enterprise web estate and the development of complex and engaging apps. Brandwidth's objective is to constantly strive for innovative ideas, delivering brilliantly original work, whilst building long-term partnerships around talented people, incredible service, collaboration and a constant desire to always do better.

www.brandwidth.co.uk

Contact : hello@brandwidth.co.uk