

Why Marketing Tech Spending Will Keep Growing

Tech investment trends reflect growth in marketing budgets

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Ross Benes

Although some advertisers are **paring down their vendors** to cut costs, overall spend on marketing technology is likely to keep growing.

According to an April **report by Forrester Research**, US marketers will increase their investment in marketing technology by 27% over the next four years, spending more than \$122 billion on marketing tech by 2022.

US Marketing Technology and Services Spending, by Segment, 2017-2022

billions and % of total marketing spending

	2017	2018	2019	2020	2021	2022
Technology						
Marketing automation	\$15.05	\$17.35	\$19.64	\$21.60	\$23.65	\$25.62
Advertising technology	\$8.32	\$9.87	\$11.43	\$12.77	\$13.77	\$14.43
Data and analytics	\$3.40	\$3.97	\$4.50	\$5.08	\$5.68	\$6.32
Services						
Agency	\$27.53	\$28.16	\$29.03	\$29.93	\$30.80	\$31.66
Strategy	\$22.70	\$23.81	\$25.03	\$26.13	\$27.38	\$28.70
Operations	\$12.52	\$13.13	\$13.84	\$14.37	\$14.97	\$15.69
Total	\$89.51	\$96.29	\$103.47	\$109.87	\$116.26	\$122.42
—% of total marketing spending	30%	30%	31%	31%	31%	32%

*Note: numbers may not add up to total due to rounding
Source: Forrester Research, "The US Marketing Technology And Services Outlook, 2017 To 2022" as cited by MediaPost Communications, April 26, 2018*

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www.eMarketer.com

A big reason why marketing tech spend is likely to keep rising is that, in general, marketing budgets keep growing. [eMarketer predicts](#) that total ad spend in the US will grow 24% between 2018 and 2022, from \$220.96 billion to \$274.44 billion. Forrester expects the share of marketing budgets allocated to marketing tech to stay pretty stable over that same timeframe, at 30% in 2018 and 32% in 2022.

The subdivisions of marketing tech that are likely to see the biggest growth in investment are data, ad tech and marketing automation, each of which has an anticipated compound annual growth rate (CAGR) of about 10%, according to Forrester.

These areas show promise because they are tethered to programmatic advertising, which continues to grow rapidly.

eMarketer expects that **over 80% of display ads** will be bought programmatic in the US this year, and that figure is likely to keep rising. The names of the vendors fighting over the pot of money may change, but marketers' underlying investment in tech isn't going away anytime soon.