

Marketers embrace optimism despite economic concerns for 2024

Article

The news: 61% of marketers are optimistic that business will improve in 2024 despite economic concerns, according to new WARC research.

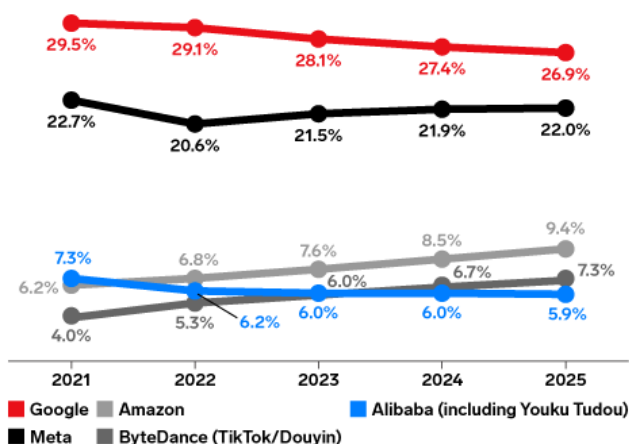
- Global marketing investment is projected to increase 8.2% in 2024, exceeding \$1 trillion for the first time, with a significant pivot toward digital channels.
- However, the report highlights a notable gap in marketing evaluation: 22% of marketers do not use any structured models to gauge the effectiveness of their investments.

Key findings: Recession concerns are prominent, with 64% of marketers viewing it as the biggest threat to 2024 strategies, while 41% cite inflation and the cost-of-living crisis as major challenges.

- Even so, 61% of marketers expect better business performance in 2024, with 41% anticipating increased marketing budgets. Regionally, 37% in Europe and 35% in North America expect higher budgets, while 50% in APAC foresee budget growth.
- Digital channel investments are rising, especially on social media, online video, and mobile. Traditional channels like print, cinema, and TV are expected to see stable or decreased spending. **TikTok** and **YouTube** are poised for the largest investment increases, while one-third (31%) plan to reduce spending on **X** (formerly Twitter).

Net Ad Revenues Share at Select Companies Worldwide, 2021-2025

% of total digital ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; Google includes ad revenues from YouTube; Meta includes Facebook and Instagram ad revenues; ByteDance includes only TikTok and Douyin and does not account for other subsidiaries
 Source: Insider Intelligence | eMarketer Forecast, Oct 2023

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Insider Intelligence | eMarketer

Measurement and strategy insights: Measurement remains a key challenge, with 39% of marketers globally and 48% in North America ranking it as a top concern for 2024. Only 4% use all available marketing measurement methods, and 22% do not use any modeling.

- Brand metrics (awareness, consideration, purchase intent) are considered most impactful by 54% of marketers, overshadowing return on investment (ROI), sales, and market penetration.
- Marketers are advised to diversify media investments and explore new opportunities while maintaining brand reputation. Evaluating different measurement tools can help set effective marketing strategies.

Our take: In 2024, despite economic uncertainty, the marketing sector has a surprisingly upbeat outlook and is set to increase its ad spending.

- A strategic shift toward digital mediums, as evidenced by the significant investment plans in social media, online video, and mobile platforms, will fuel growth. Notably, regions like APAC are at the forefront of this budget expansion.
- The preference for brand metrics over immediate sales or ROI indicates a focus on long-term brand equity rather than short-term gains.
- The tilt towards digital is also reflected in the planned allocation of resources toward emerging platforms like TikTok and YouTube, contrasting with fading investment in print and television, in line with consumer preferences.
- Marketers are well-advised to pay attention to their brand reputation and should invest in measurement tools to understand how well their marketing is performing, especially as traditional approaches give way to newer digital dynamics.