

Marketing budgets will increase next year, prioritizing social media and martech

Article

About 89% of CMOs and senior marketing executives are planning to **increase their marketing budgets** in 2023, according to a recent survey by Matter Communications.

Here are the top five areas of investment:

Public relations and social media

- It makes sense that this would be at the top of the list, as 69% of marketers said this was one of the areas that saw the greatest ROI over the past year.
- We estimate social network ad spending will hit nearly \$80 billion by 2024.
- This number will likely keep growing as **Meta** and **TikTok** continue to enhance their ad offerings and social commerce abilities.

Marketing operations/analytics/martech

- According to the survey, measuring marketing performance will be one of the biggest challenges for marketers next year.
- Though we estimate **B2C investment in marketing technology** is slowing post-pandemic, spending will continue at a robust level to equal nearly \$15 billion this year.
- **B2B martech spend** growth will see a similar pattern as stacks evolve and mature. Still, the growth rate will stay in the double digits through 2024.

Content marketing

- At this point, having some kind of content marketing strategy is table stakes. The question is what type of content resonates best and through what medium.
- We estimate that 85.6% of companies will use digital content marketing this year.
- **Influencer marketing** spend continues to grow, becoming an almost \$5 billion market this year, though growth is dropping steeply after a boom last year.

Video marketing

- According to our forecast, US consumers will spend 161 minutes a day with digital video this year, which will grow to 173 minutes in the next two years.
- We predict that video ad spending will grow by 8.3% this year, but shrink by 3.1% in 2023. Next year, national ad-supported video-on-demand, OTT/connected TV will see the most growth (32.7%), while local TV spend will decrease by 22.1%.

Brand building

- As inflation challenged spending habits this year, it has become increasingly important for brands to make their value known to consumers.
- Over a quarter (26.8%) of US CMOs said that inflationary pressures have caused them to make stronger brand-building investments, per a survey conducted by Deloitte and the American Marketing Association (AMA).

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