

ad:tech & *tyroo*

present



3rd edition of

DRIVERS OF GROWTH SURVEY

Strategic priorities for CMOs in 2023

FOREWORD...



Jaswant Singh

Country Managing
Director

ad:tech

The takeouts of this report are a culmination of the conversations that we have been having with marketing leaders from India and around the world. Despite the prevailing global uncertainties, both political and economic, India is emerging as a shining beacon, as evidenced by impressive GDP and growth figures. This is also reflected in this report as 85% of respondents expect an increase in business revenues while focussing on the impact of marketing on business growth. Although retention and attribution are still significant marketing challenges, there is a newfound willingness to experiment with emerging technologies like CTV, live video and AR/VR.

Our ad:tech content for 2023 also follows the same train of thought in our theme and our sessions, as we try to bring together global & Indian business & marketing leaders to share their strategies on marketing's impact on the business bottom line.

As we move forward into 2023, we are excited to continue our partnership with you and be a part of your marketing journey. Our team is committed to providing valuable insights and resources to help you achieve your business goals and stay ahead of the competition. Let's make 2023 an incredible year for marketing, together!



FOREWORD...



Siddharth Puri

Co-founder and CEO

tyroo



The way advertisers and publishers interact with consumers online today is very revolutionized, it's no longer about the big beating the small, but the fast beating the slow. Over the years, especially post-COVID-19, marketing strategies have drastically evolved to cater to the needs of modern consumers. Although the COVID-19 pandemic was the primary catalyst for the growth of digital, the ongoing economic downturn is further propelling its expansion. In recent years, the world has experienced economic uncertainties and recessions that have forced businesses to rethink their marketing strategies, marketing budgets are being allocated to martech and other innovations, with omnichannel & personalization emerging as the top priority. Businesses are now focussing on embracing digital transformation as it is a significant enabler of growth and expansion. The communication model between businesses and consumers now demands businesses improve productivity, foster growth, and have a competitive edge in order to stay existential & relatable for consumers.

A marketer's focus on demand generation has consequently undergone an upheaval driven by 2 major shifts, firstly brands are drastically taking a Direct to Consumer approach, leading to increased competition, and then there is a shift in the privacy landscape leading to a loss of user-level targeting. While brands' main goal has always been to generate demand, the methods they use to do so are seeing significant changes in today's landscape.

Thanks to micro-influencers, digitization, communities, podcasts, and closed Slack groups, information has been decentralized and everything is based on performance. Earlier lower-funnel marketing (search/retargeting/ affiliate)-streamlined the flow of traffic through the funnel by channeling website traffic in one direction, mid-funnel marketing (programmatic display/ social) enabled tracking down of the user

and retargeting as per the user behavior and then we had top-of-the-funnel marketing (video/sponsorship/audio, etc); aimed at attracting, educating, converting, and retaining buyers.

Now, while each segment continues to serve its specific purposes, increasingly to scale brands to break silos and take measurement models full-funnel, while adjusting for the uniqueness of each stage of the consumer journey, it is key to make businesses understand that all the items in the media plan are big opportunities for them in the areas of social, OTT/video, gaming, addressable TV, e-commerce, fintech, and influencer/WhatsApp advertising.

Considering the scale at which brand & consumer interactions happen today, brands must plan for a fragmented media plan and increase the number of digital shelves that not only leans on lower funnel performance but also builds brand awareness as it provides unique opportunities for audience optimization. Brands need to take themselves on exploring the ever-expanding digital shelf.

Another effort should be to develop context-sensitive measurement models that will reveal the impact of your marketing activities on your company and, ultimately, your business goals, making your marketing infrastructure ready for today and tomorrow.

This report - the 3rd edition of Drivers of Growth Survey by Tyroo & ad:tech, explores the latest trends and best practices in adtech and format innovation, providing insights and practical advice for advertisers looking to make the most of the Indian digital landscape. Whether you're a seasoned ad tech pro or just getting started, we hope that this report will inspire you to explore new strategies and approaches that enable you to connect with your audience in exciting and meaningful ways.



ABOUT DRIVERS OF GROWTH SURVEY 2023...

The 3rd edition of the annual survey by **ad:tech** and **Tyroo** explores **growth opportunities, priorities, and challenges of Indian Marketing leaders as they prepare for 2023.**

ad:tech surveyed senior marketing leaders in India to understand how they are navigating through inflation, geopolitical tensions, and economic uncertainty and planning for business growth in 2023.

This survey identifies and highlights CMO's growth levers for 2023 by focusing on their capability development priorities, key investment areas, technologies, and marketing mix alignment.



KEY INSIGHTS...

While the global economy is stifled by geopolitical tensions, inflationary pressure, and high interest rates, India has emerged as a bright spot with current economic growth of 7% which is the highest among all the major economies. Furthermore, India's digital advertising spends are estimated to surge to \$21 billion in the next 5 years, growing at a CAGR of 19-21%. This has accelerated marketers' journey toward digital transformation as they focus on increasing efficiencies in the customer journey and tackle challenges like data privacy, brand safety, diversity, and inclusivity.

85% of marketers expect their business revenues to grow in 2023 - a promising revelation for the adtech and martech industry

78% of marketers expect their marketing spends to evolve in 2023 - where 47.5% report a significant while 30% report a moderate increase

More than 60% of marketers plan to focus on performance over branding in their media plan for 2023, a trend we see continuing from 2022

Business impact, building an omnipresent brand, consumer journey, e-commerce capabilities & brand awareness emerge as absolute priorities for brand marketers

25% of the total marketing budgets set aside by marketers are being allocated to **Martech** and other innovations, and Omnichannel & Personalization emerge as the top priority with a 64% share

● When it comes to emerging technologies, **33%** of marketers look forward to exploring **Connected TV** followed closely by Livestreaming, while Native Advertising catches up

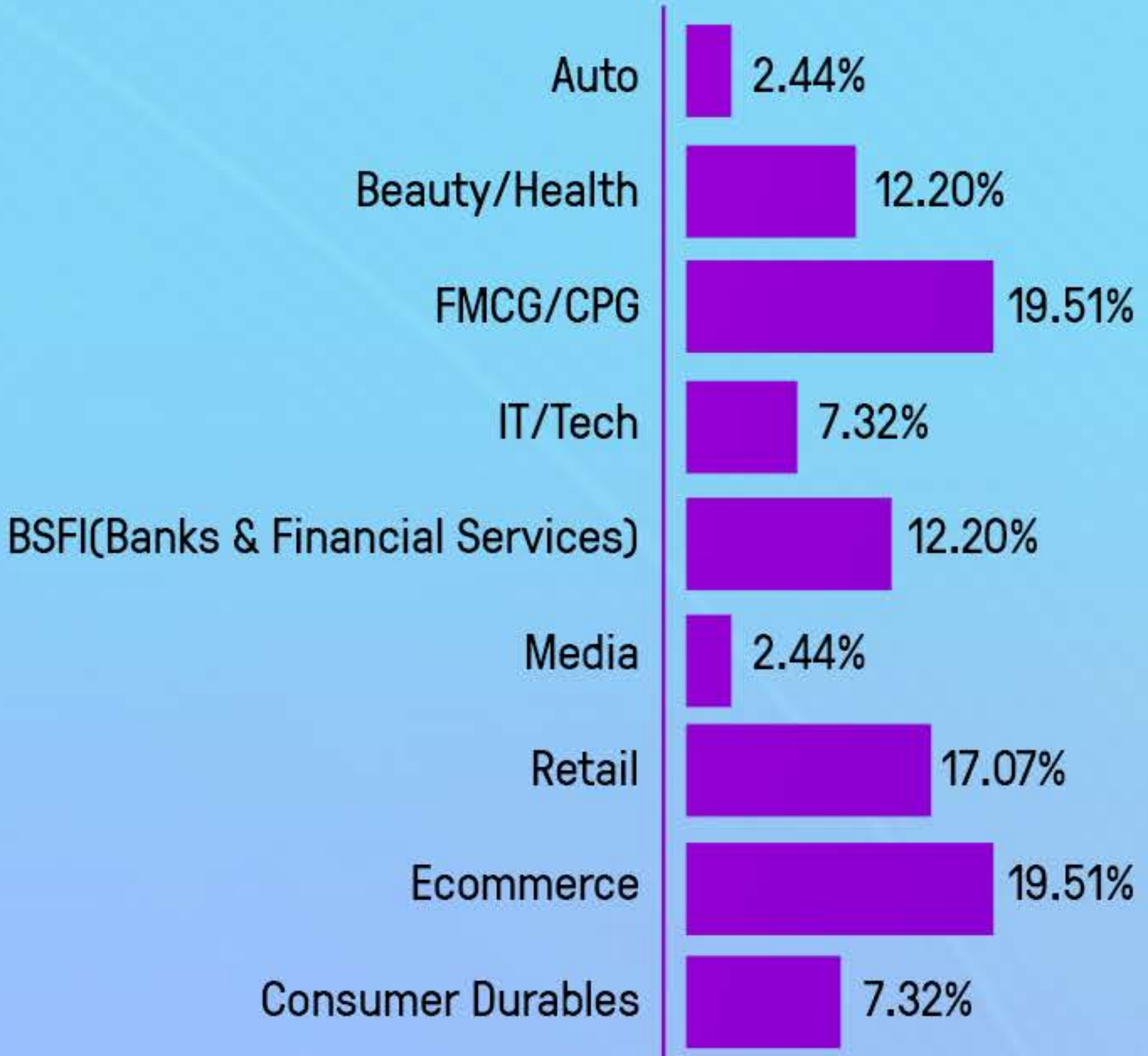
● Online Search, Social Media & Whatsapp Marketing will garner a major chunk of marketing investments

● **62%** of marketers are utilizing data assets for **prediction modeling and segmentation** as well as for optimization of campaigns

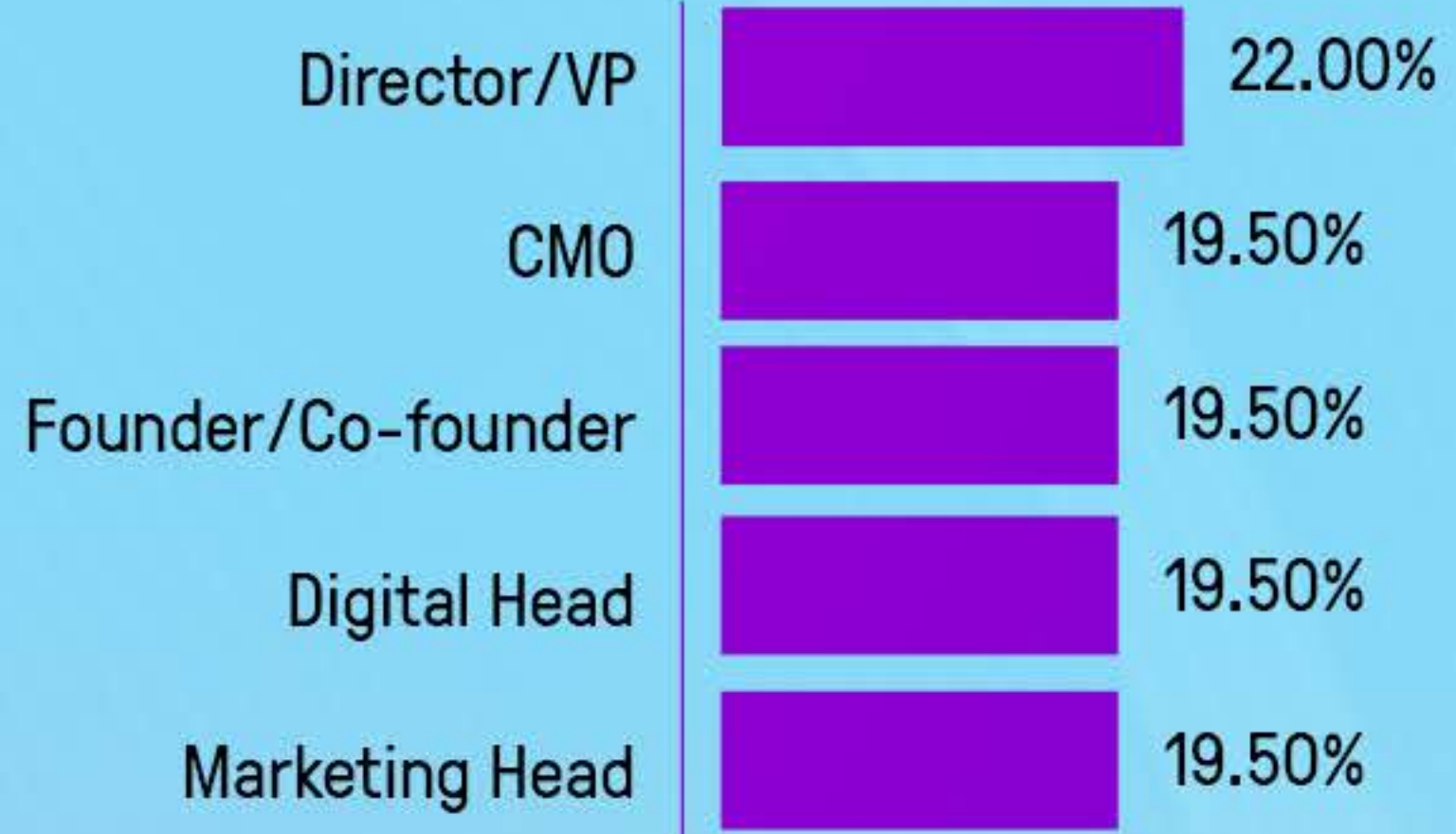
● **First-party data** takes the lead as the top identifier marketers are planning to use once 3rd party cookies are obliterated

PROFILE OF PARTICIPATING MARKETERS...

Industry Breakdown



Role



Senior industry leaders participated in the 3rd annual Drivers of Growth Survey. Influential marketers - decision-makers took part in this online survey about changes, concerns, and growth opportunities for 2023.

IN THIS REPORT...



Changes and
Challenges



Marketing
Spends



Investment
Priorities



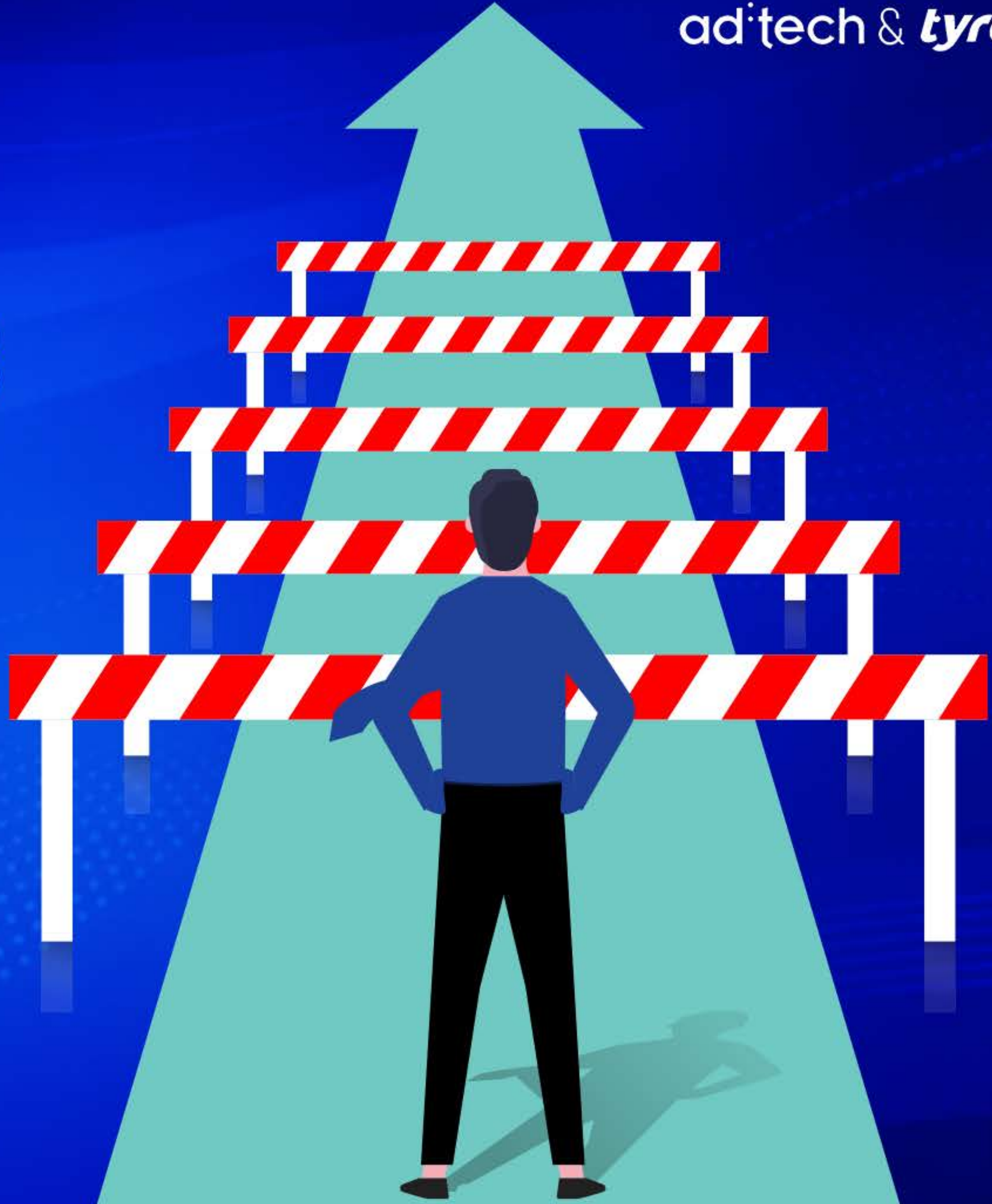
Data & Personalization



D2C & E-Commerce

Priorities For 2023

CHANGES & CHALLENGES



WHAT'S TRENDING IN 2023...

DIVERSITY & INCLUSIVITY

IMPACT OF ECONOMIC RECESSION

BRAND SAFETY ISSUES

DATA PRIVACY & TRANSPARENCY

With businesses and industries stepping up on their digital transformation journeys, diversity-spawned creativity is one of the most important assets in business. Diversity and inclusivity, therefore, remain key to brands' marketing strategies.

Other topics include the impact of economic recession, brand safety issues as well as data privacy, transparency, consumer control on data, and ethical & open internet.

If CMOs get this right, they can help their business and brand stay ahead of the curve, drive growth, and navigate disruption.

TOP AREAS OF CONCERN FOR MARKETERS - 2023...



63.41%

Consumer engagement & retention



34.15%

Complexity of adtech/martech



56.10%

Complexity in the attribution of marketing spends



34.15%

Increase in eCommerce, mCommerce & Social Commerce investments



34.15%

Media and audience fragmentation



31.71%

Adjusting plans to keep up with new trends (Gaming, CTV, Metaverse)

Customer engagement and retention continues to be the number 1 challenge for marketers for 2023. With digital transformation being indispensable for businesses that intend to remain relevant in the near future, retaining consumers from these channels is a priority for most, closely followed by concern over complexity in the attribution of marketing spends and adtech/martech.

BUSINESS GROWTH IN 2023...

85%

of marketers expect business revenues to increase as compared to 2022 - a 9.5% dip from last year (94%) but a promising revelation for the adtech and martech industry during gloomy predictions of global recession

BUSINESS REVENUE AS COMPARED TO 2022

Increase in Investment

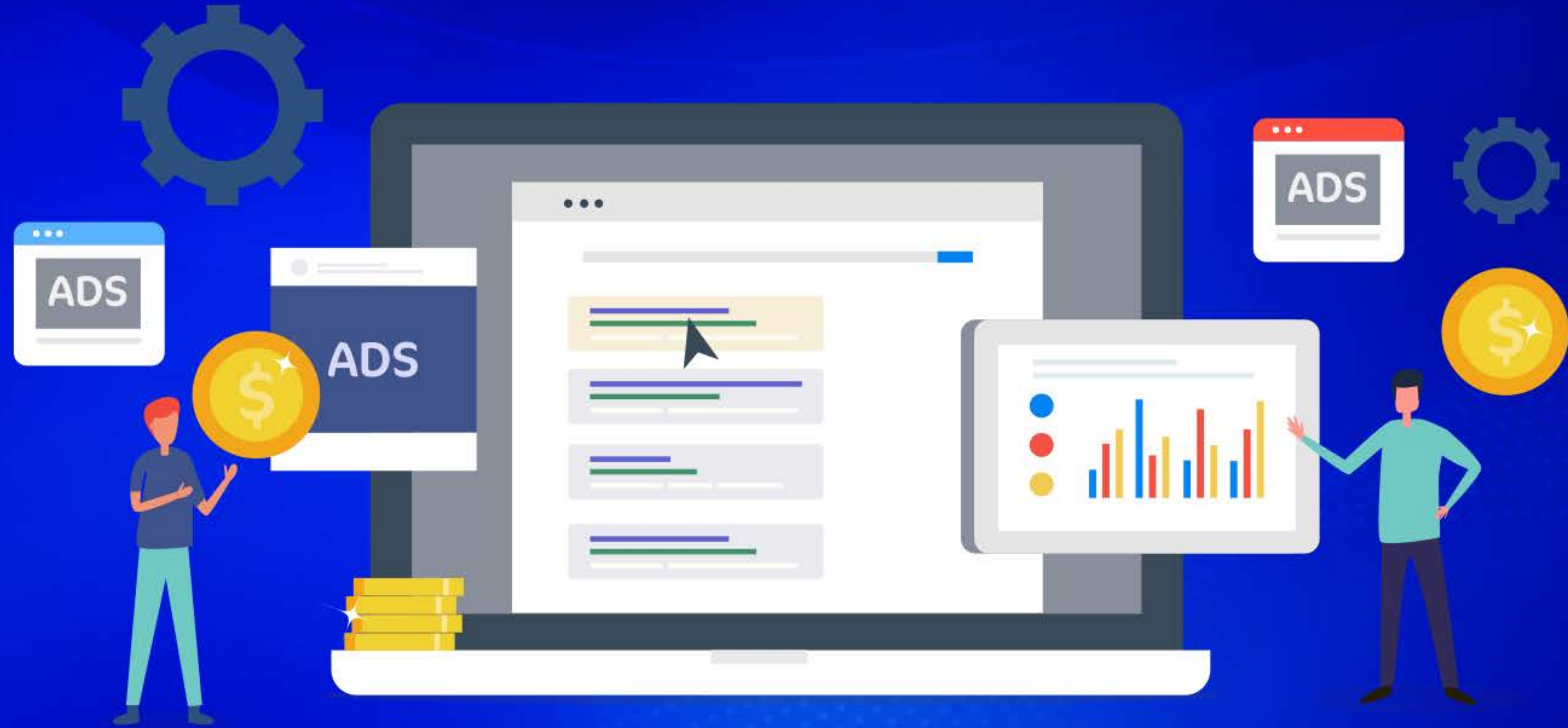


Decrease in Investment



Same as last year





Priorities For 2023 MARKETING SPENDS

MARKETER'S TOP PRIORITIES...

2023 is shaping to be an important year in the evolution of both marketing strategies and marketing technology solutions, given the economic headwinds and shifting consumer behaviors.

With increasing media options providing consumers with an abundance of choices, business impact, building an omnipresent brand, consumer journey, e-commerce capabilities, and brand awareness have emerged as the absolute priorities for brand marketers.

As brands continue to reimagine their business models to take advantage of the opportunities created by emerging technologies, continually embracing digital transformation will be key to establishing deeper and more valuable connections with their customers.



Business Impact



Building an Omnipresent Brand



Consumer Journey



E-Commerce Capabilities



Brand Awareness

MARKETING SPENDS SET TO RISE...

SIGNIFICANTLY INCREASED
(MORE THAN 30%)



MODERATELY INCREASED
(WITHIN 10 - 30%)



SIMILAR
(UP TO 10% CHANGE)



MODERATELY LESSER
(BY 10 - 30%)



SIGNIFICANTLY LESSER
(BY MORE THAN 30%)



47.5% of marketers report a significant increase (>30%) in their marketing spends from 2022

30% of marketers report a moderate increase in marketing spends as compared to 2022

5% of marketers have reported cut-backs in budgets while last year there were none in this category

Although marketers seem to have a positive outlook and are increasing their investments to maintain their competitive edge when it comes to digital transformation, economic uncertainty has made them warier of their marketing spends

PERFORMANCE CONTINUES TO TAKE THE LEAD IN MEDIA PLANNING...

2022



2023



60%+

of media plans will be skewed toward performance over branding as marketers prioritize generating leads and sales for their business



Priorities For 2023

INVESTMENT

MARKETING MEDIA MIX...

Search continues to dominate online ad spends followed closely by social media, which is becoming the preferred e-commerce platform for many.

With billions of consumers using WhatsApp multiple times each day, Whatsapp Marketing is climbing up in the marketing media mix.

Influencer marketing is slowly inching to be one of the most powerful marketing tools in 2023 to drive brand growth across the entire purchasing funnel.

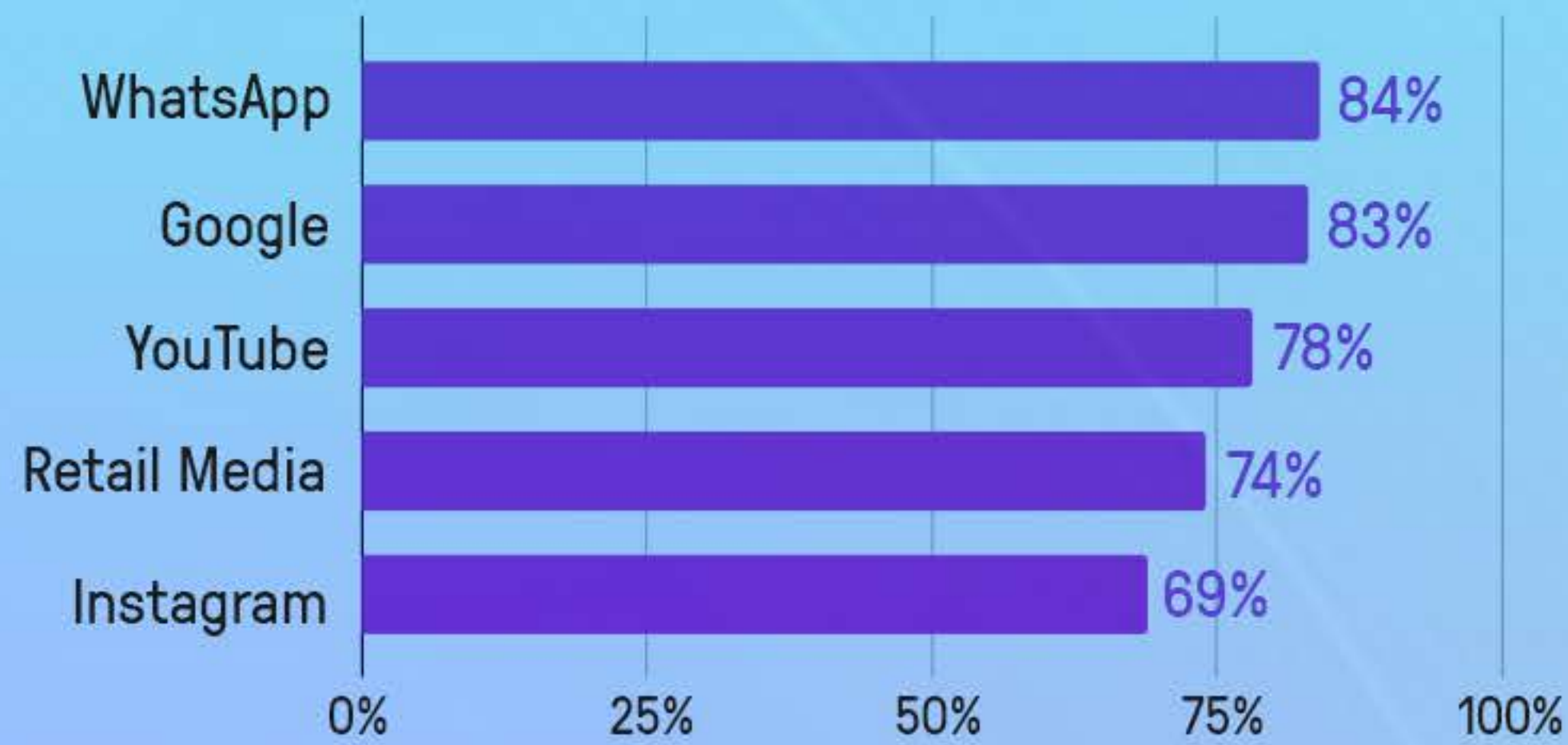
So digital transformation continues to be key for improved customer experience across mediums.

-  Online Search
-  Social Media
-  Whatsapp Marketing
-  Native Advertising
-  Retail Media-Online Marketplaces & Social Commerce
-  Influencer Marketing
-  Mobile Marketing
-  CTV & OTT
-  Email Marketing
-  Traditional - Print, Radio, TV, OOH
-  Digital Audio - Music & Podcasts
-  Online Gaming

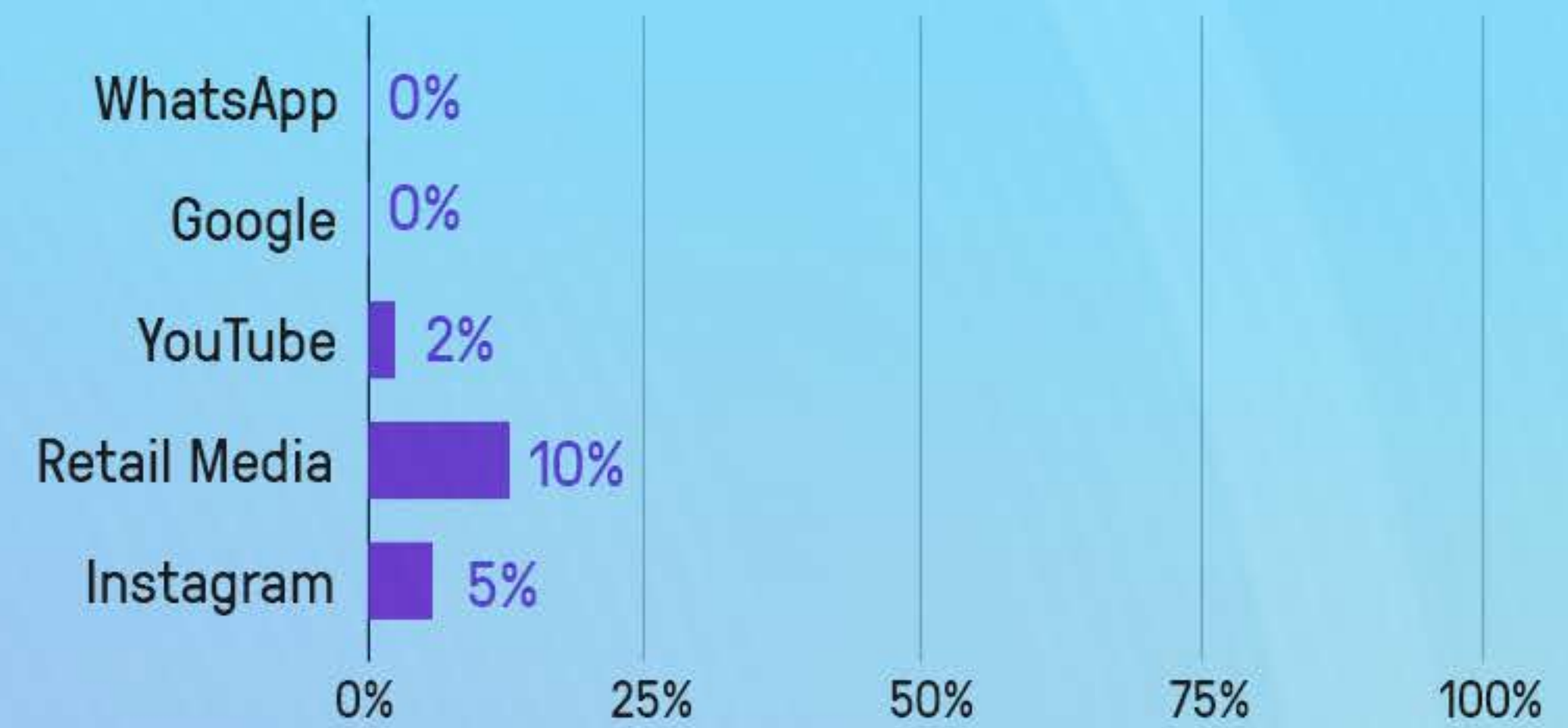
WHATSAPP, YOUTUBE AND RETAIL MEDIA CHANNELS LIKELY TO GET A BIGGER CHUNK OF INVESTMENTS...

All marketers are looking to increase investments across the majority of digital marketing channels and a substantial increase is predicted for WhatsApp, Google, YouTube, and Retail Media.

Increase in investment

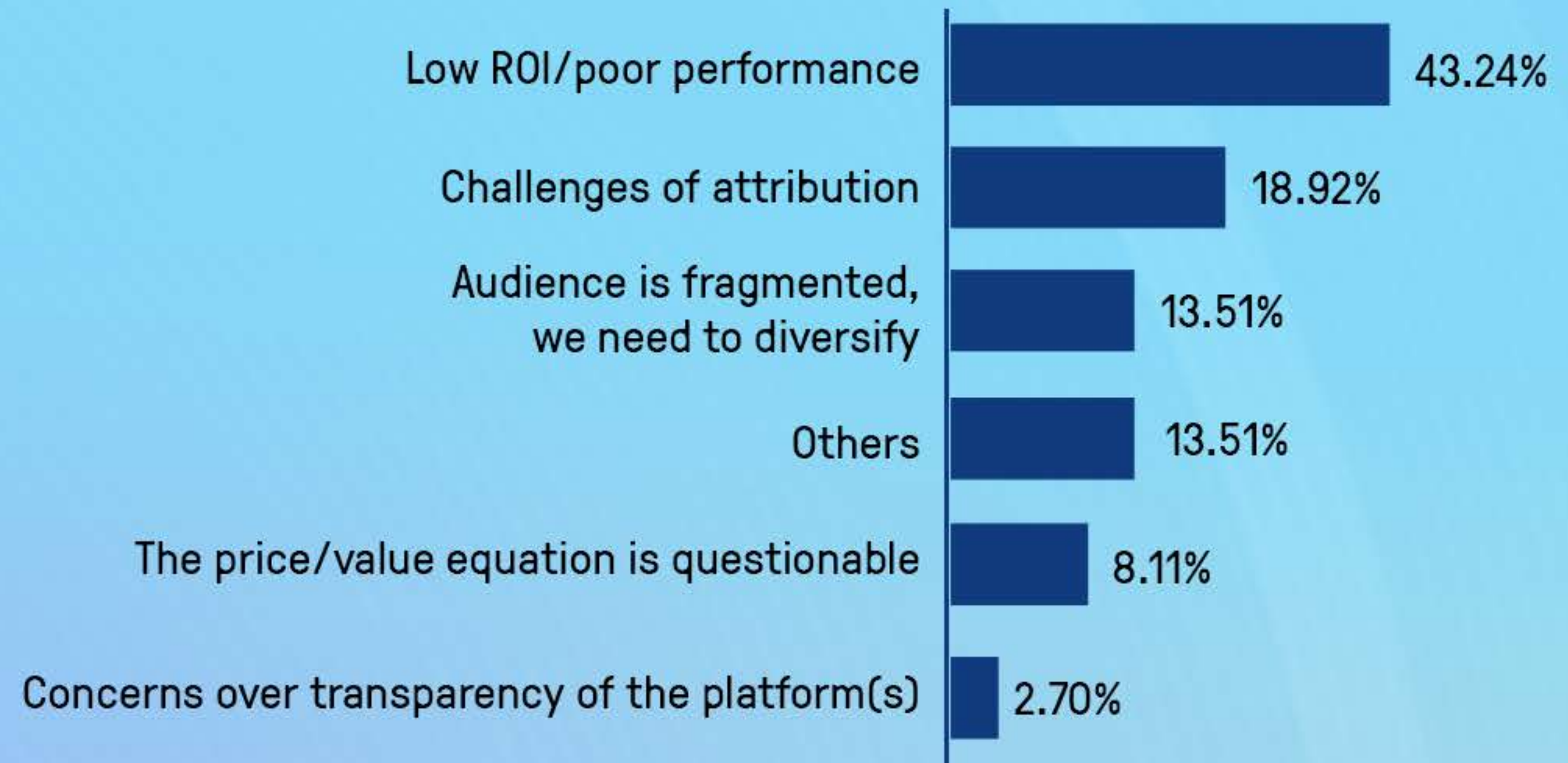


Decrease in investment



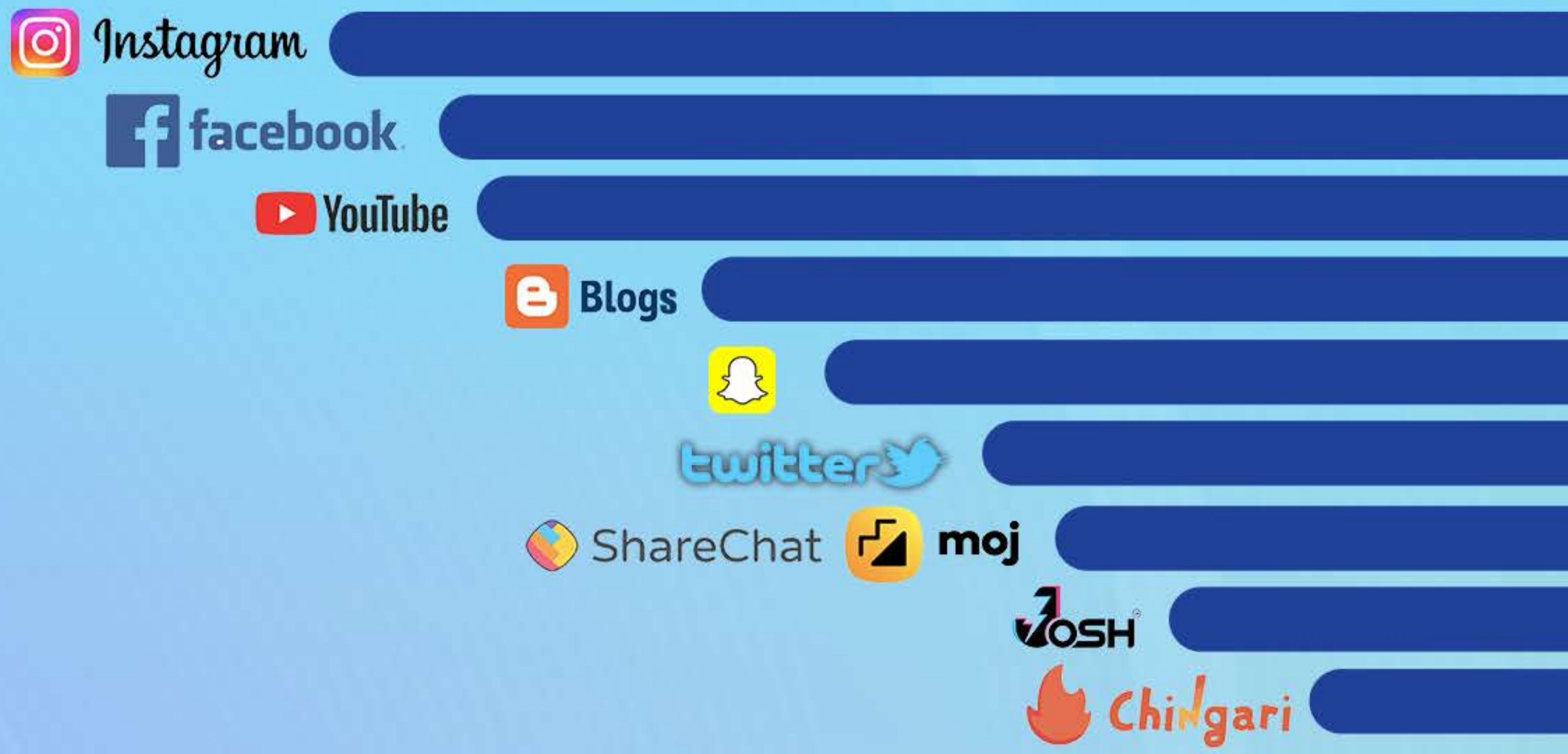
TOP REASONS FOR DECREASE IN INVESTMENTS...

Low ROI and poor performance have emerged as the top reasons for marketers to decrease investments in certain digital platforms, closely followed by challenges of attribution and a fragmented audience.



INSTAGRAM - #1 PLATFORM TO INFLUENCE YOUR AUDIENCE...

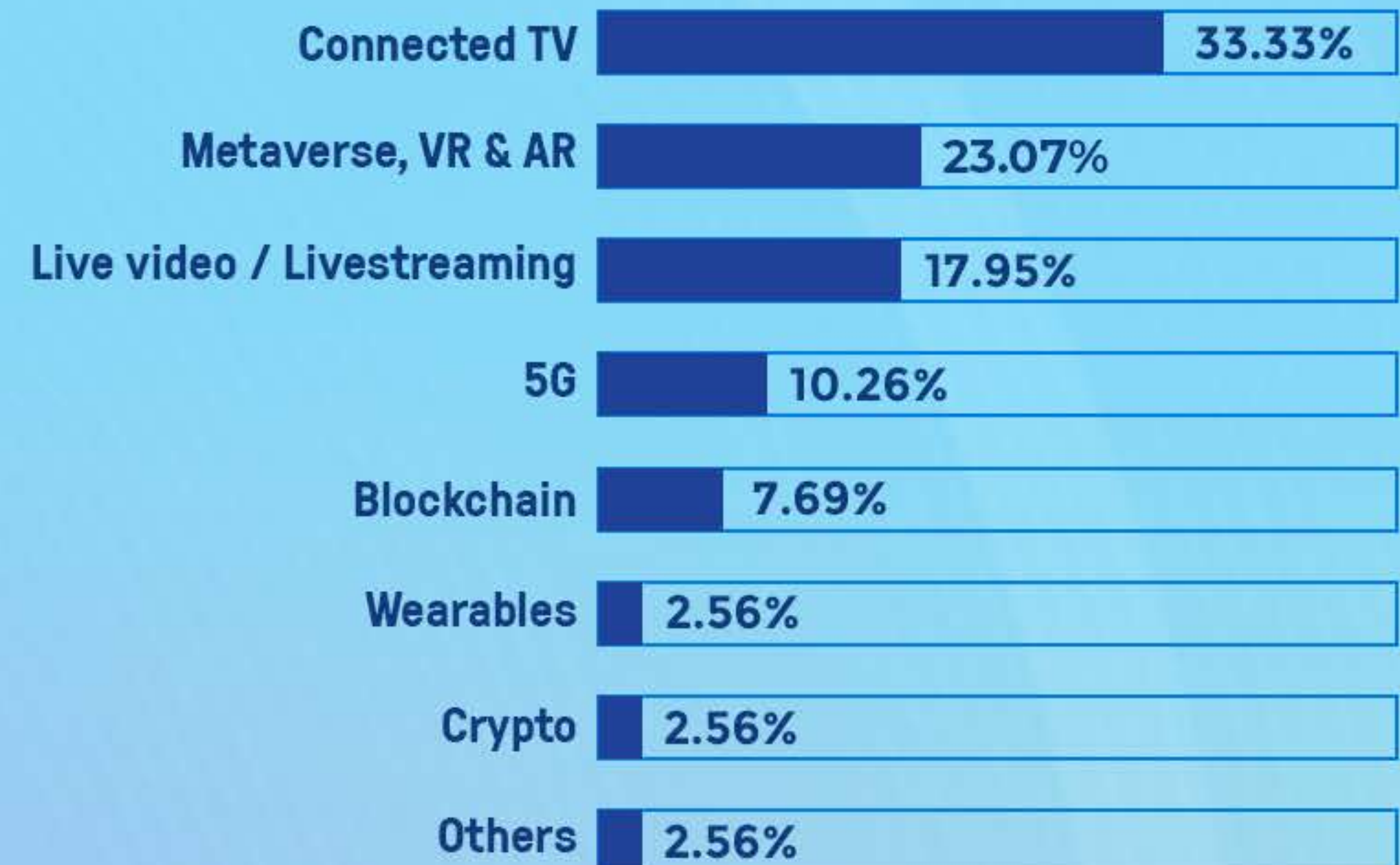
With 2 billion monthly active users and the highest interaction rate compared to other social media platforms, Instagram emerged as the platform of choice for marketers to explore influencer marketing.



CONNECTED TV CONQUERS EMERGING TECHNOLOGIES SPACE...

Marketers are constantly chasing emerging technologies to gain a competitive edge and stay ahead of the game.

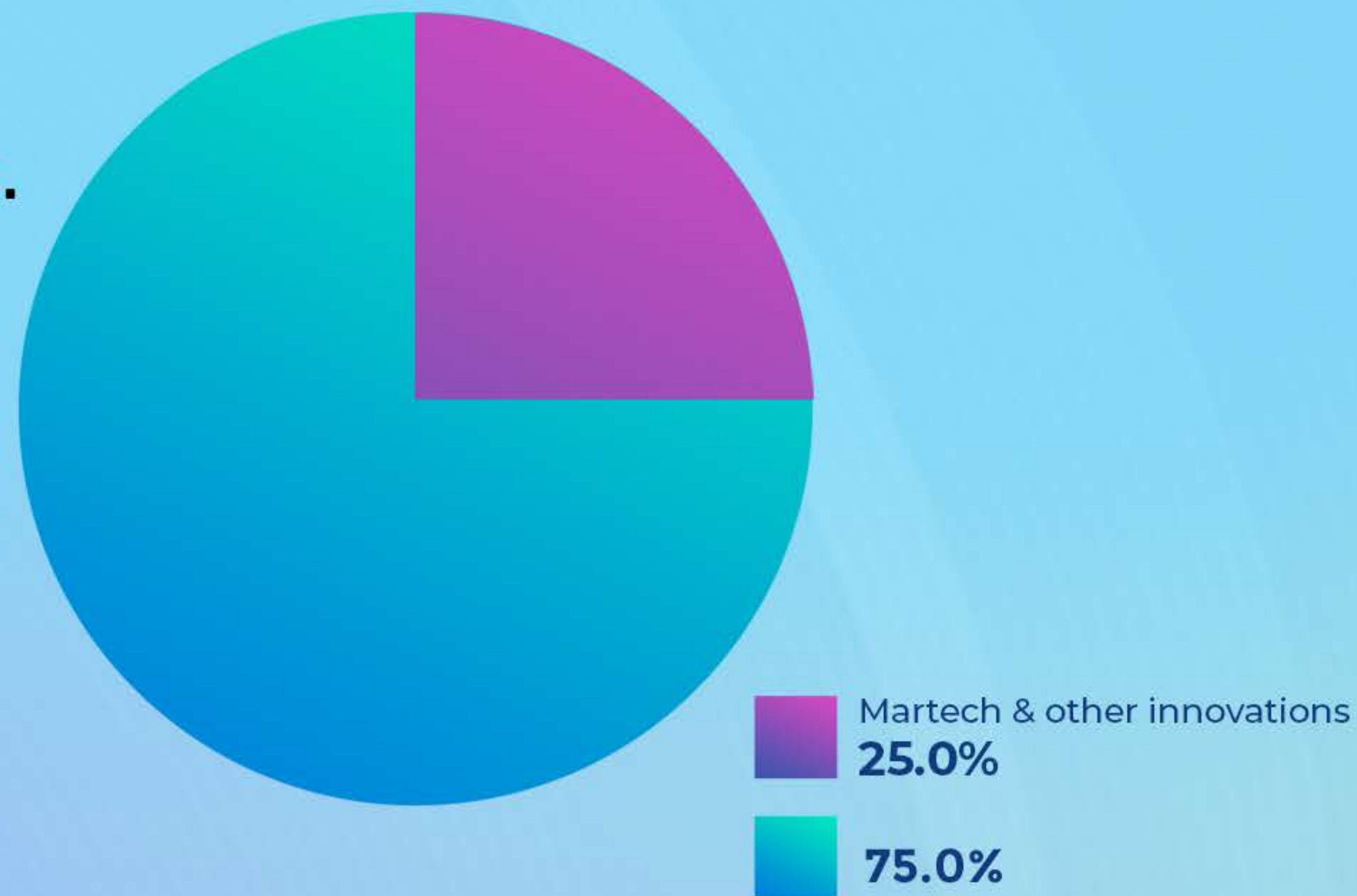
Connected TV - one of the exponentially growing markets in India, listed highest in terms of importance for marketers, closely followed by live streaming and the Metaverse.



BRANDS SET ASIDE BUDGETS FOR MARTECH & OTHER INNOVATIONS...

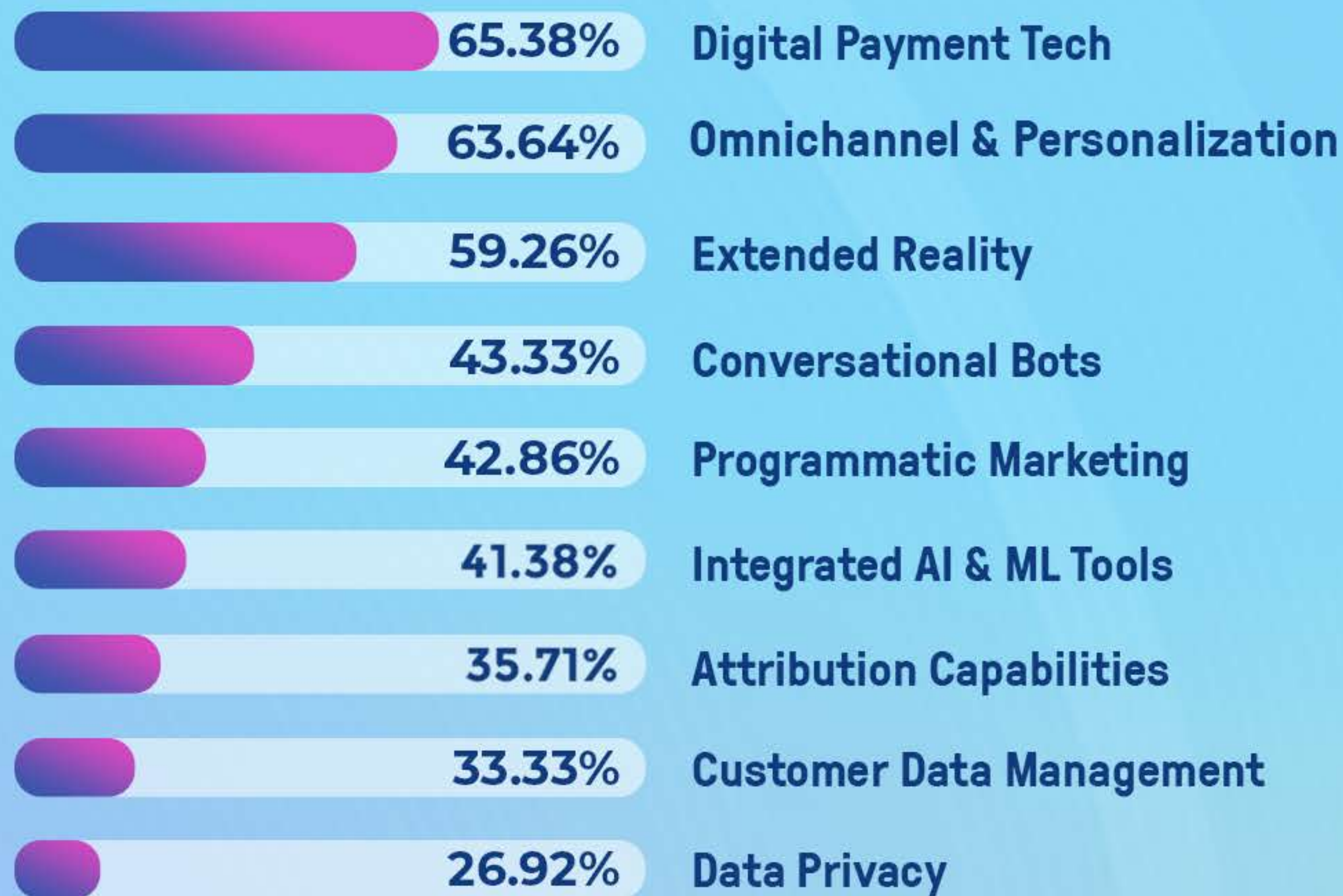
Embracing Martech and automation is imperative for companies to grow and establish themselves as authority brands.

25% of the total marketing budgets set aside by marketers are being allocated to Martech and other innovations.



OMNICHANNEL & PERSONALIZATION A PRIORITY....

The top 5 capabilities that marketers are looking forward to building and further fortifying their Martech stack are omnichannel personalization, data privacy, AI and ML, customer data management, and attribution capabilities. While programmatic marketing, conversational bots, extended reality, and digital payment tech are catching up.





Priorities For 2023

DATA & PERSONALIZATION

DATA - POWERING THE FUTURE OF DIGITAL....

62%

of marketers
are utilising data
assets for prediction
modeling and
segmentation as
well as for optimization
of campaigns



Optimization of campaigns
(yield, channel, placement, site etc)



Prediction modeling/segmentation



General audience analytics



Cross-channel Retargeting



Cross channel measurement & attribution



Identity resolution/cross-channel identification



Programmatic media buying

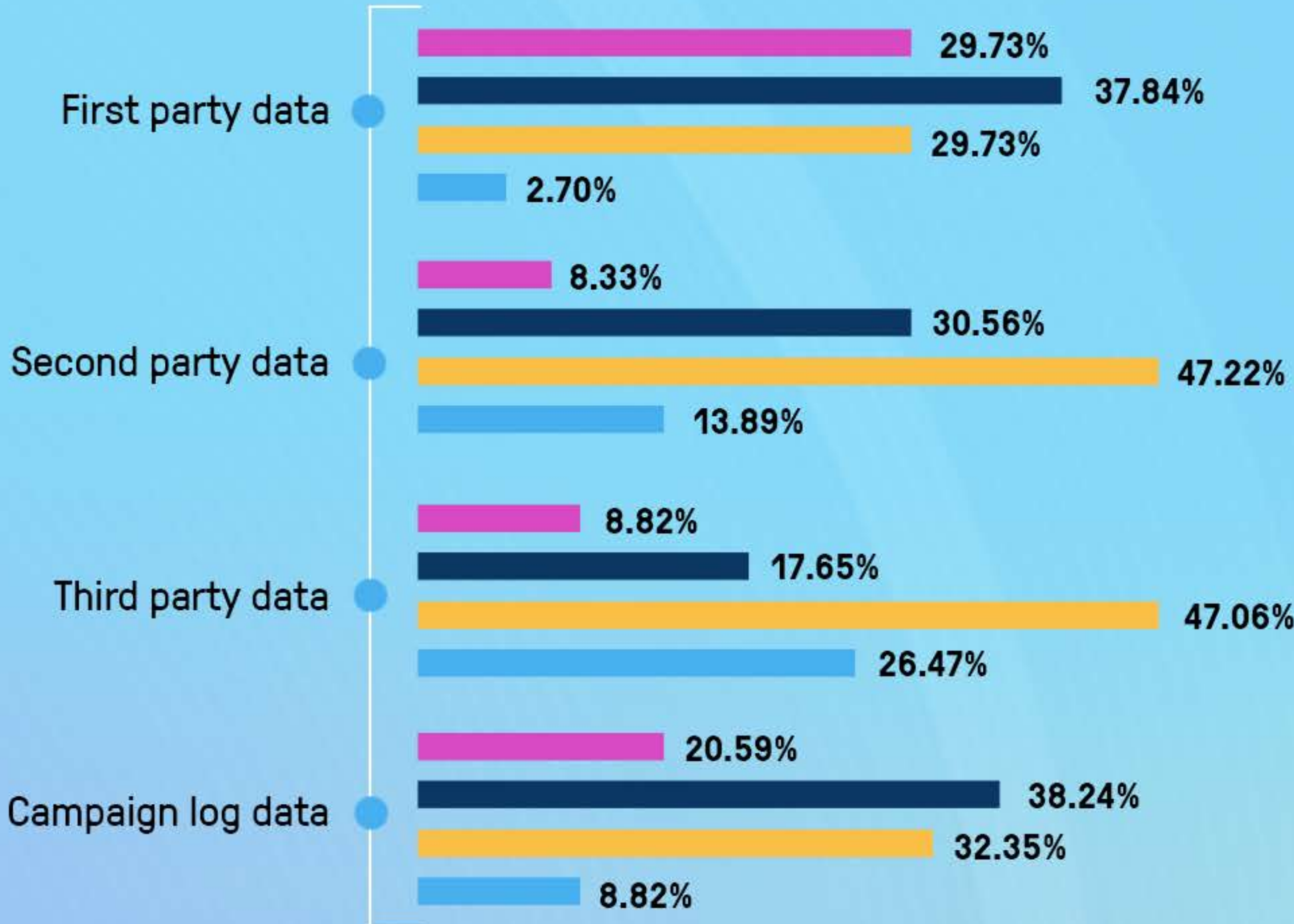


Others

MARKETERS IN THE DRIVER'S SEAT WITH 1ST PARTY DATA...

Turning your data into a source of competitive advantage requires effective data asset management

38% of marketers believe first-party data and campaign log data are significantly utilized by their company, however, **47%** believe that second and third-party data is only moderately utilized.



MARKETERS' TOP CHALLENGE IS MAINTAINING HIGH-QUALITY DATA...

62%

of marketers ranked finding & maintaining high-quality data as the #1 critical priority/challenge they face

- Finding & maintaining high-quality data
- Targeting segmented audiences
- Breaking down data silos
- Using data in real-time
- Making meaningful connections
- Using the right data points
- Walled gardens do not provide enough insights to make comparisons with other channels or partners

RESPONSIBLE MARKETING WITH 1ST PARTY DATA SET TO TAKE THE LEAD IN A COOKIELESS FUTURE...

First-party data unlocks opportunities for personalization, accuracy, control, and privacy and takes the lead as the top identifier marketers are planning to use once 3rd party cookies are obliterated, closely followed by contextual targeting and Google's Privacy Sandbox.

Responsible Marketing with First Party Data



Contextual Targeting



Google's Privacy Sandbox



Alternative Identifiers / Open-source ID Framework



Publisher Alliances





BUILDING CAPABILITIES D2C & E-COMMERCE

WINNING STRATEGIES FOR 2023...

The top 5 strategies that marketers are looking forward to increasing their investments in 2023 include video advertising, content marketing, user-generated content, social media marketing, and influencer marketing. While email marketing and native advertising are catching up.



VIDEO ADVERTISING



CONTENT MARKETING



USER-GENERATED CONTENT



SOCIAL MEDIA MARKETING



INFLUENCER MARKETING



SEARCH ENGINE OPTIMIZATION



RETAIL MEDIA (  )



CHATBOTS



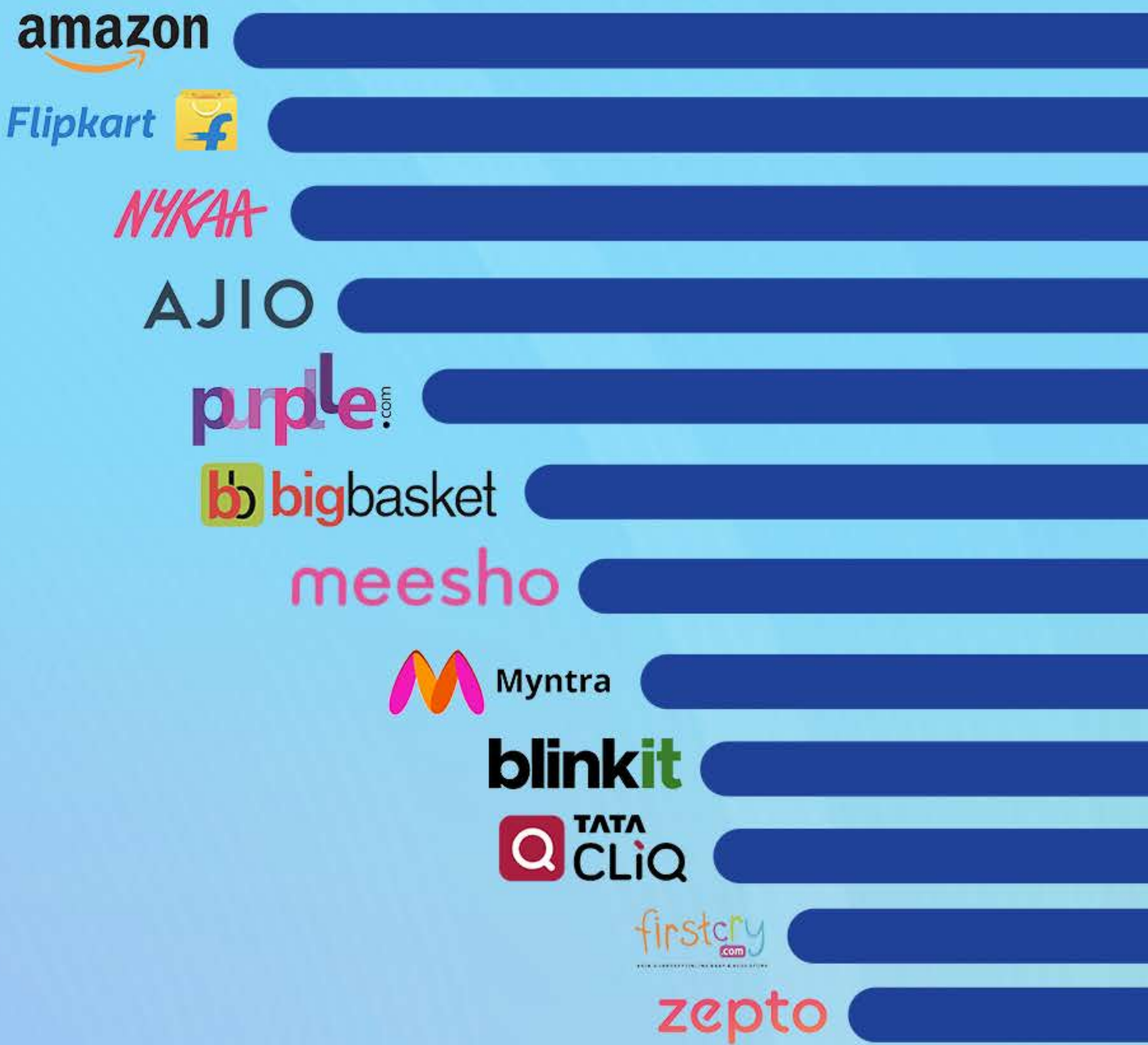
EMAIL MARKETING



NATIVE ADVERTISING

AMAZON - THE ONLINE MARKETPLACE OF CHOICE...

Amazon and Flipkart continue to lead the way in online retail platforms for most brands and marketers. Although, millions of new online shoppers, influencers, and the surge in popularity of e-commerce amid the pandemic have led to a beauty boom, driving consideration towards platforms like Nykaa, Ajio, and Purplle.



ABOUT US

ad:tech

ad:tech is India's largest Digital Marketing conference and exhibition. For more than 11 years, ad:tech is where the marketing, technology, and media communities come together to share new ways of thinking, and build & network strong partnerships.

Learn more about us at

<https://newdelhi.ad-tech.com>

tyroo

Tyroo is a leading APAC-based ad tech platform powering brand growth with performance. We help brands scale business by building depth across advertising channels, formats, audiences, and data with our no-code, low code solutions. We are performance-driven and build solutions to drive impact across the marketing funnel. The mobile-first world has been our domain for the last decade, and we have empowered brands to enter and scale in emerging markets. We are Singapore headquartered with regional offices across Southeast Asia and India.

Learn more about us at

www.tyroo.com

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