



ad:tech & *tyroo*

PRESENT 4TH EDITION OF

DRIVERS OF GROWTH SURVEY

Strategic priorities for CMOs in 2024



FOREWORD



We're excited to bring the 4th edition of our 'Drivers of Growth' report that gives key insights on the trends guiding the direction of brands' marketing decision making today. It is an authentic voice of over 70+ marketers from different industries, including both legacy and new-age brands.

Despite an uncertain global outlook for 2024, India with a GDP growth of almost 7% continues to grow as a dynamic market, reinforcing the promise that 2024 will be a landmark year that builds the foundation for "the India growth story" in years to come.

This year, we are seeing a measured optimism regarding business growth with Brands realigning their vision to "achieving growth that is stable yet profitable" rather than "growth at any cost". Most brands will see an increase in the Marketing dollars but with a clear focus on increasing the return on ad spends by building efficiencies in the customer journey and experience across all key touch points.

However, prioritising practicality doesn't come at the cost of innovation. Marketers are exploring and discovering a variety of applications for burgeoning technologies like AI, Martech CTV and Retail Media, while fending off challenges of cookie-deprecation, attribution, and fraud. We hope this report helps you unravel the forces shaping brand marketing in 2024.

FOREWORD



Siddharth Puri

Co-founder and CEO

tyroo

It is with great pleasure and a sense of pride that I welcome you to the latest edition of our annual "Drivers of Growth" report. As we embark on the fourth consecutive year of this insightful publication, it is heartening to witness how this report has been accepted by the industry, serving as a directional advisory for navigating the dynamic landscape of Internet and advertising. In an era defined by rapid advancements and unforeseen challenges, the "Drivers of Growth" report has consistently endeavored to aid marketing teams with valuable insights, guiding their strategic decisions and shaping the trajectory of their success stories. This report is not merely a compilation of statistics; it represents our commitment to giving back to an industry that stands as the fastest-growing across the globe.

The past two years have been transformative for the industry, with bi-annual innovations and the profound impact of the wave of changes happening globally, including the post-pandemic world and a semi-recission market. As marketers and industry enthusiasts place their bets on what will define the future, our report steps in to illuminate the larger trends that shape our collective destiny.

Within the pages of this year's report, a compelling narrative unfolds, casting India as a pivotal force poised for significant growth in 2024. The digital landscape emerges as a powerful catalyst for transformation, propelling our industry towards new horizons. Amidst this landscape, a collective optimism resonates among marketers for business growth. We believe two important pegs for change will be marketing without cookies and a transparent performance marketing ecosystem. We also believe that while the continued emphasis on ROI and impact drives major business decisions, platforms that harness the power of tech to bring together transparent performance will be the ultimate winners. Clear insights will give back control to marketing teams.

Delving deeper into the insights, the theme of performance rightfully takes center stage in media plans, aligning with strategic priorities such as customer acquisition, enhanced journeys, and fortified brand experiences. Innovation becomes the focal point, emphasizing the importance of analytics, performance, and attribution. Key investment areas, including Gen AI, Social Commerce, and Connected TV, capture our attention as the driving forces behind industry evolution.

However, challenges persist, and our report sheds light on the underutilization of first-party data. Social media marketing emerges as a significant revenue driver, and advocacy for first-party data as a vital alternative to third-party cookies gains prominence. In these insights, we discern not just a snapshot of our industry's present but a compass guiding us towards a future characterized by growth, innovation, and industry leadership. It is our sincere hope that this report continues to serve as a valuable resource for all stakeholders in the Internet and advertising sector, fostering collaboration and contributing to the collective success of our industry.

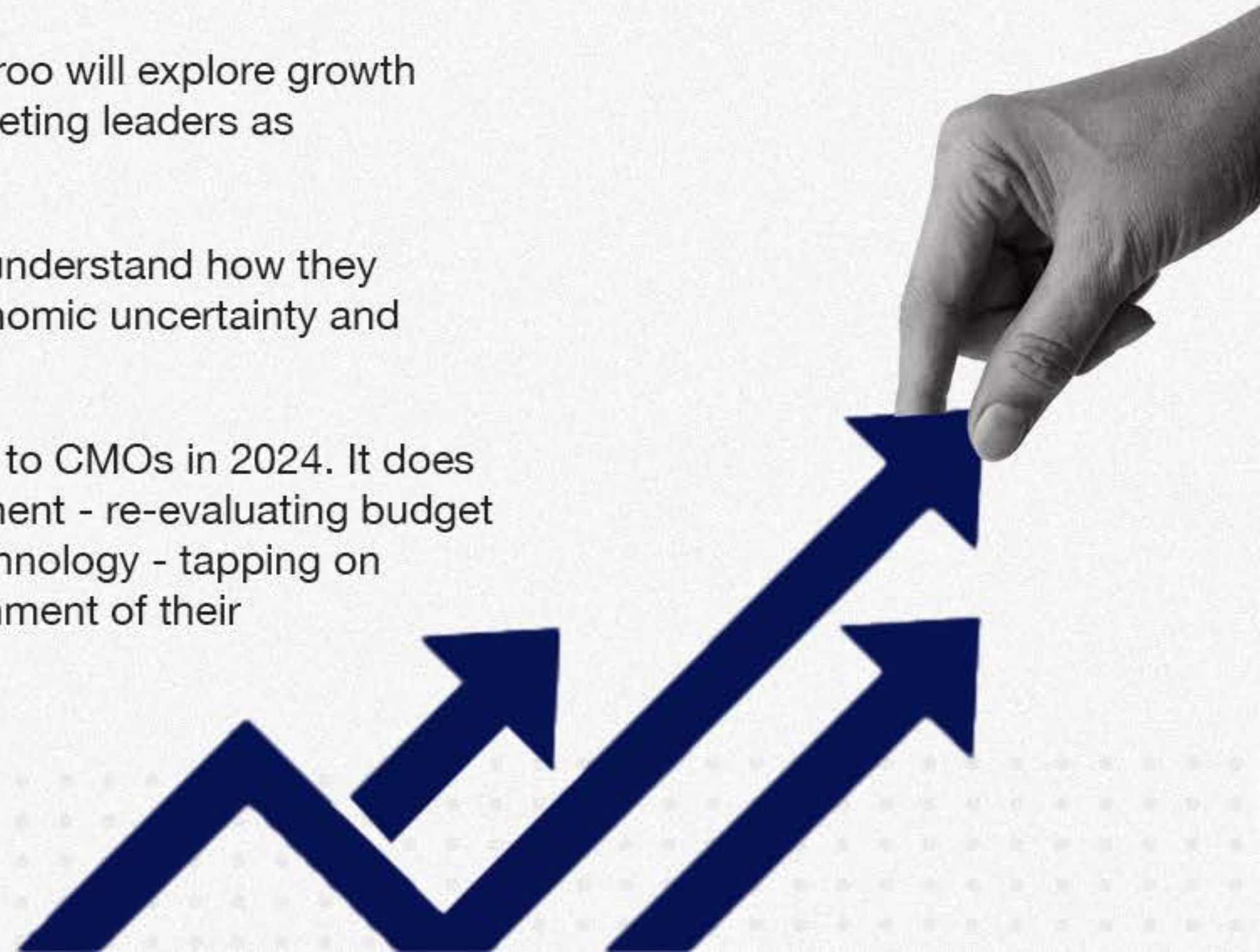
Thank you for joining us on this journey of exploration and discovery.

ABOUT DRIVERS OF GROWTH SURVEY 2024

The 4th edition of the annual survey by ad:tech and Tyroo will explore growth opportunities, priorities, and challenges of Indian Marketing leaders as they prepare for 2024.

ad:tech surveyed senior marketing leaders in India to understand how they are navigating inflation, geopolitical tensions, and economic uncertainty and planning for business growth in 2024.

This survey pinpoints the avenues for growth available to CMOs in 2024. It does so by examining their priorities in key areas for investment - re-evaluating budget allocation as per business goals, advancements in technology - tapping on to the latest technologies and innovation, and the alignment of their marketing strategies.



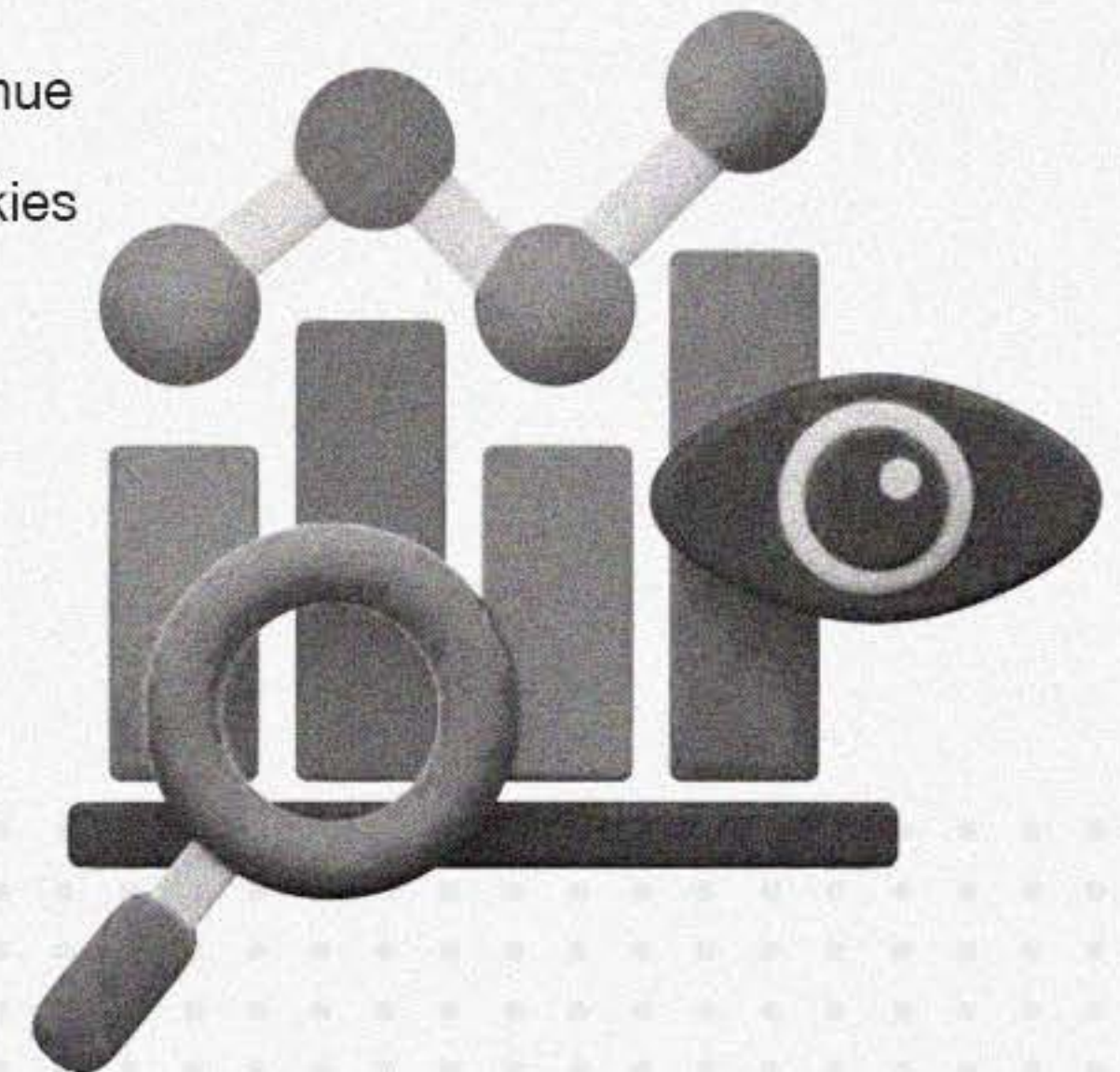
KEY INSIGHTS

India continues to stand out as a key driver of growth, with an impressive **7%** growth forecast for 2024, attributing the upward revision to the country's resilient economic performance in 2023. This places India at the forefront of **G-20 economies** in terms of growth potential. The digital landscape is set to further amplify this momentum, with digital advertising spends projected to reach **\$21 billion** in the next five years, showcasing a robust **CAGR of 19-21%**. Marketers are intensifying their digital transformation efforts, emphasising efficiency in the customer journey, while simultaneously addressing critical issues such as data privacy, brand safety, and fostering diversity and inclusivity.

- **92% marketers expect business to grow in 2024** - a promising revelation for the adtech and martech industry
- **77% marketers expect their marketing spends to evolve in 2024** - with 24% expecting a significant increase and 53% expecting a moderate increase
- **66% marketers plan to focus on performance** over branding in their media plan for 2024, a trend we see continuing from 2023
- **Acquiring and retaining customers, improving customer journey and customer experience, building efficiencies in media buying/better ROI and growing overall company revenue** emerge as absolute priorities for brand marketers

KEY INSIGHTS

- 26% of the total marketing budgets set aside by marketers are being allocated to Martech and other innovations, with marketing analytics, performance & attribution emerging as the top priority with a 68% share
- Gen AI, Social Commerce and Connected TV are key focus areas where the investments are expected to increase in 2024 when it comes to emerging technologies
- Only 28% of marketers believe first-party data is fully utilized by their company
- For 65% marketers, Social Media Marketing helps generate upto 30% of their revenue
- 67% marketers consider first party data to be the best alternative for 3rd party cookies



PROFILE OF PARTICIPATING MARKETERS

Industry Breakdown

70+ Senior Marketing leaders from various industries have participated in the 4th annual Drivers of Growth Survey to share their insights and viewpoints on what is critical for marketing heads in the current environment.



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MARTECH INVESTMENTS
& PRIORITIES



DATA &
PERSONALISATION

MARKETERS' OPTIMISM FOR THE COMING YEAR

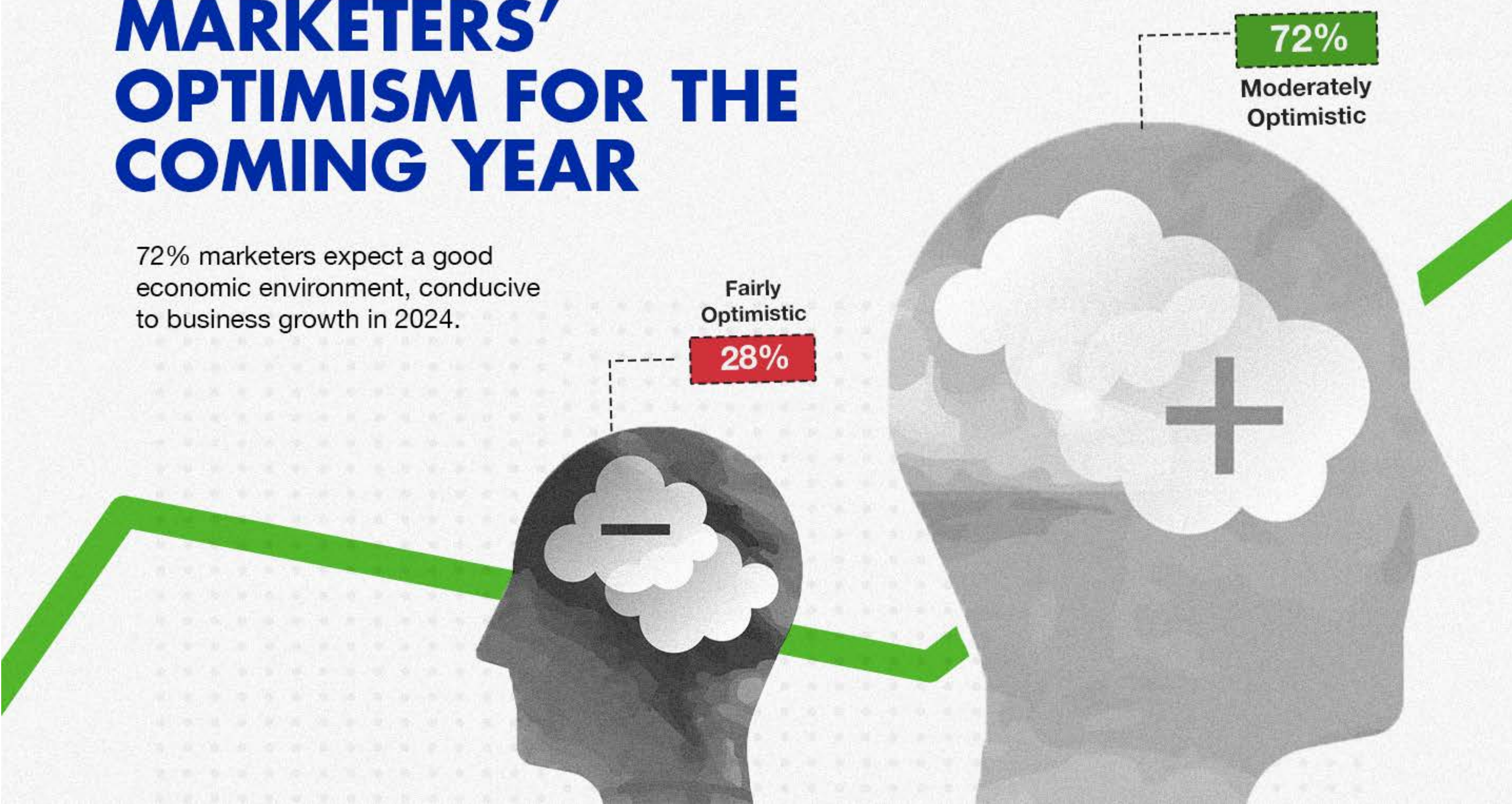
72% marketers expect a good economic environment, conducive to business growth in 2024.

Fairly Optimistic

28%

72%

Moderately Optimistic



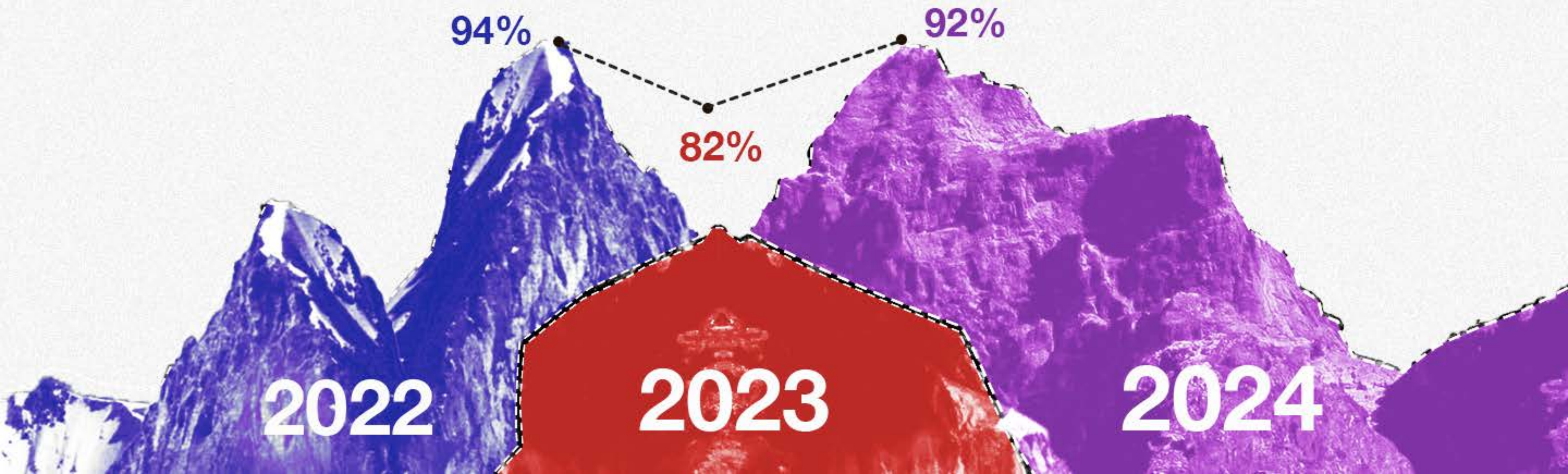
THE MACROECONOMIC FORECASTS



BUSINESS GROWTH IN 2024

92%

of marketers expect business revenues to increase in 2024. An **8.2%** hike as compared to last year, instilling optimism for business to boom due to robust domestic demand and strong growth across sectors.

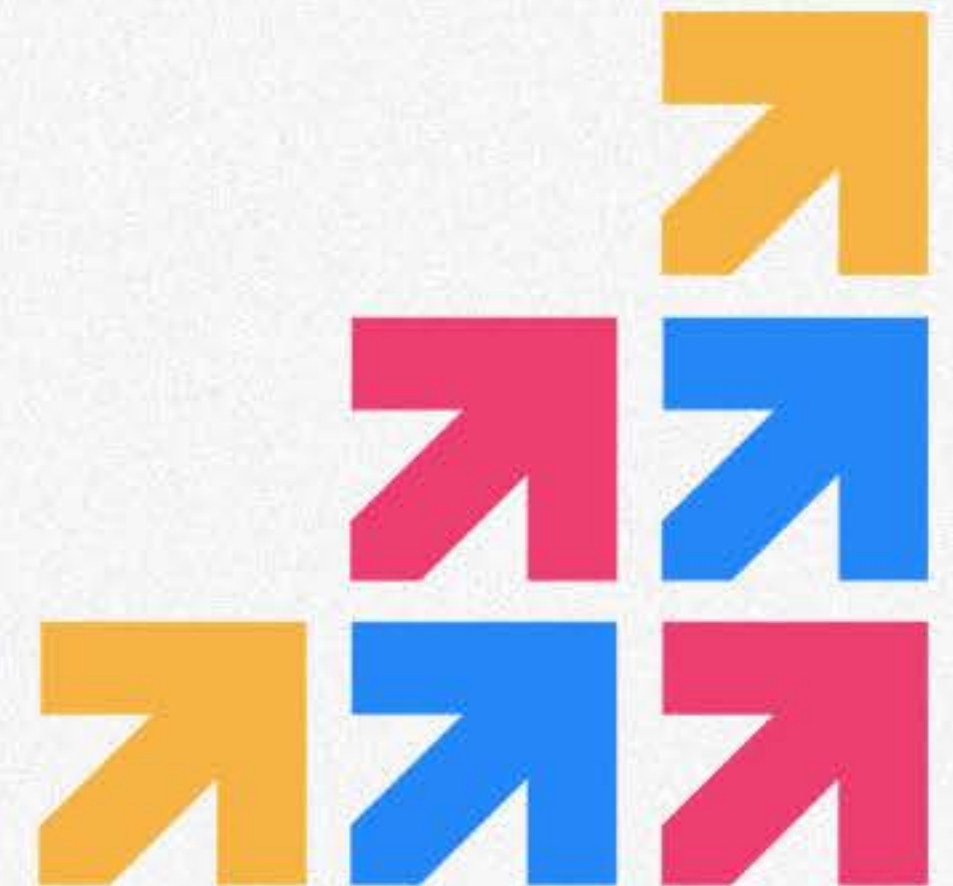


FORESEEING THE MACROECONOMIC CHALLENGES FOR 2024

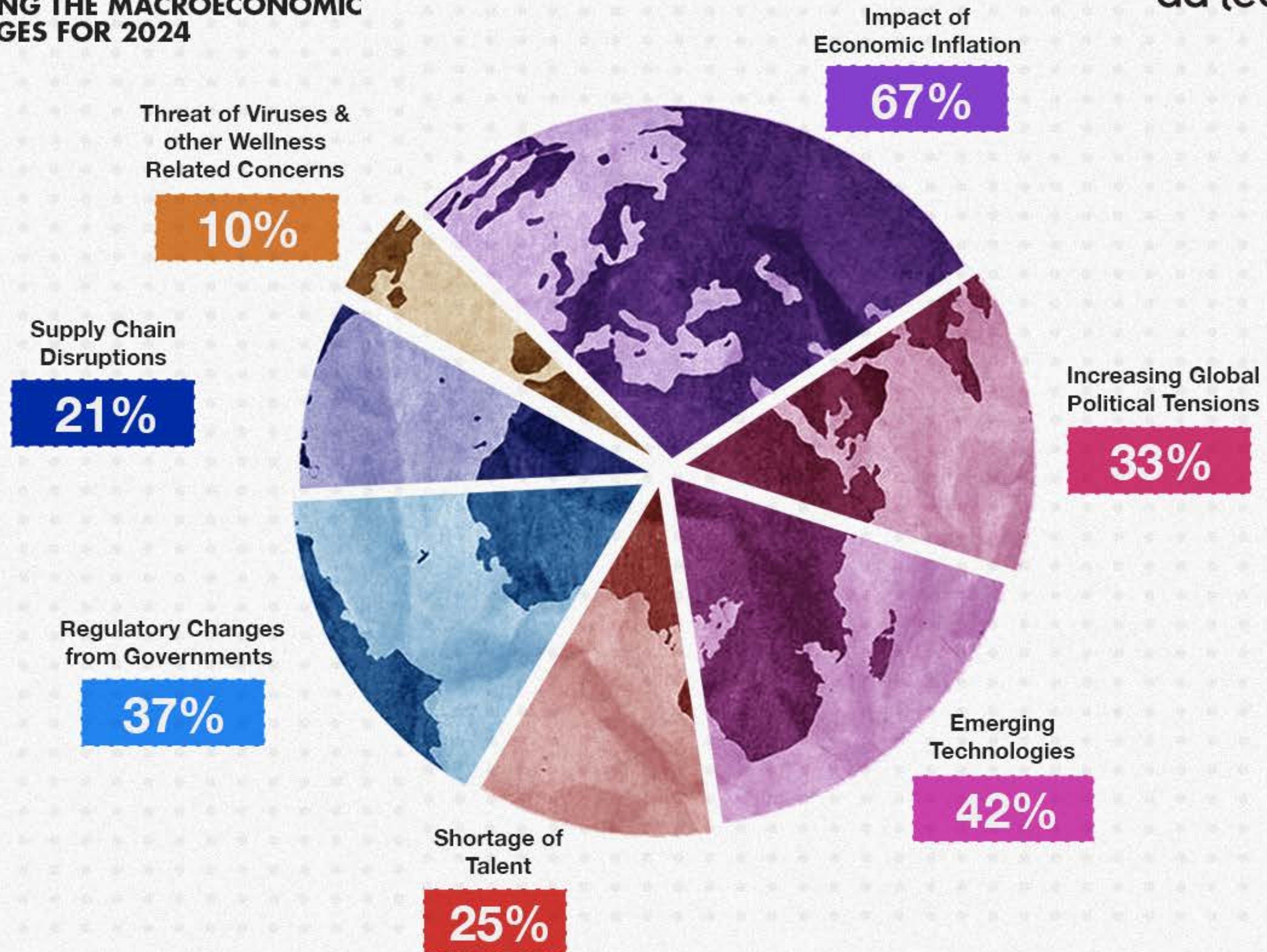
With respect to the intricate tapestry of the world's economies, which results in an ever-changing landscape, global inflation, and political tensions of last year, marketers expect to face challenges in 2024.

Additionally, the emerging technology with the rise of AI is another factor that marketers anticipate will pose challenges in 2024.

Marketers and Business leaders need to not only be adept at reading signals of change but also at integrating them into their strategy for the upcoming year.



FORESEEING THE MACROECONOMIC CHALLENGES FOR 2024



MARKETERS' TOP PRIORITIES FOR 2024



Acquire and Retain Customers - 75%

With emerging technologies evolving quickly and customer expectations increasing steadily, marketers are channeling their focus toward customer retention.



Improvements in Customer Journey and Customer Experience - 73%

Building a successful customer experience and journey will be critical to manage customer satisfaction and as a ripple effect, acquire new customers.



Building Efficiencies in Media Buying/Better ROI - 64%

Marketers are set to incorporate and increase the integration of programmatic advertising, privacy-centric plans, and interactive ad formats in their media buying strategies.



Grow overall Company Revenue - 46%

Overall company revenue growth is one of the top priorities for markets in 2024.

INDUSTRY CHALLENGES MARKETERS ANTICIPATE FACING

In 2024, marketers are poised to encounter a landscape marked by rapid technological advancements, shifting consumer behaviours, and evolving regulatory environment. Several challenges await them in navigating this dynamic landscape.

- Fostering meaningful engagement and loyalty amidst evolving consumer preferences
- Accurately attributing marketing spends across an increasingly complex ecosystem of channels and touchpoints
- Increasing complexity of adtech & martech solutions, combined with media and audience fragmentation
- Staying relevant and capitalizing on emerging trends like AI, Gaming, Connected TV
- Other pain points included phasing out of the 3rd party cookie and Data Protection and Privacy laws

60%

Consumer Engagement & Retention

58%

Complexity in Attribution of Marketing Spends

31%

Media and Audience Fragmentation

31%

Complexity of Adtech/Martech

29%

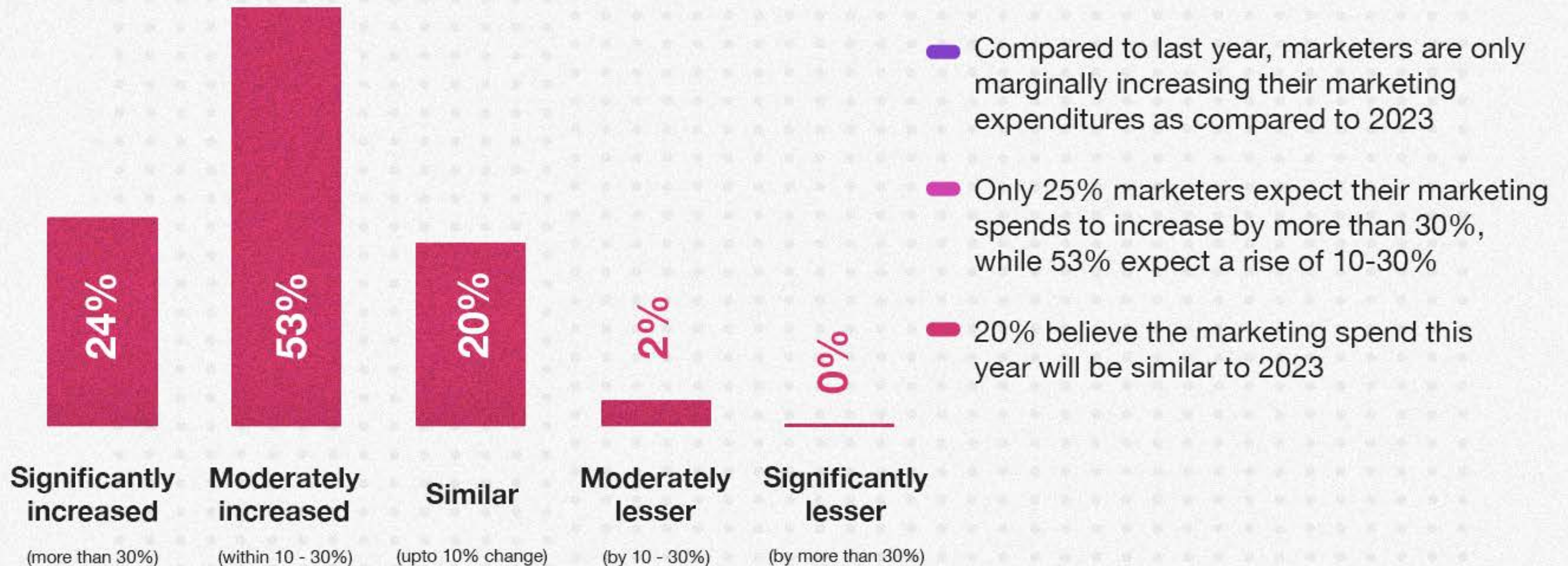
Adjusting plans to keep up with New Trends (AI, Gaming, CTV, Metaverse..)

INDUSTRY CHALLENGES MARKETERS ANTICIPATE FACING

MARKETING SPENDS & PRIORITIES

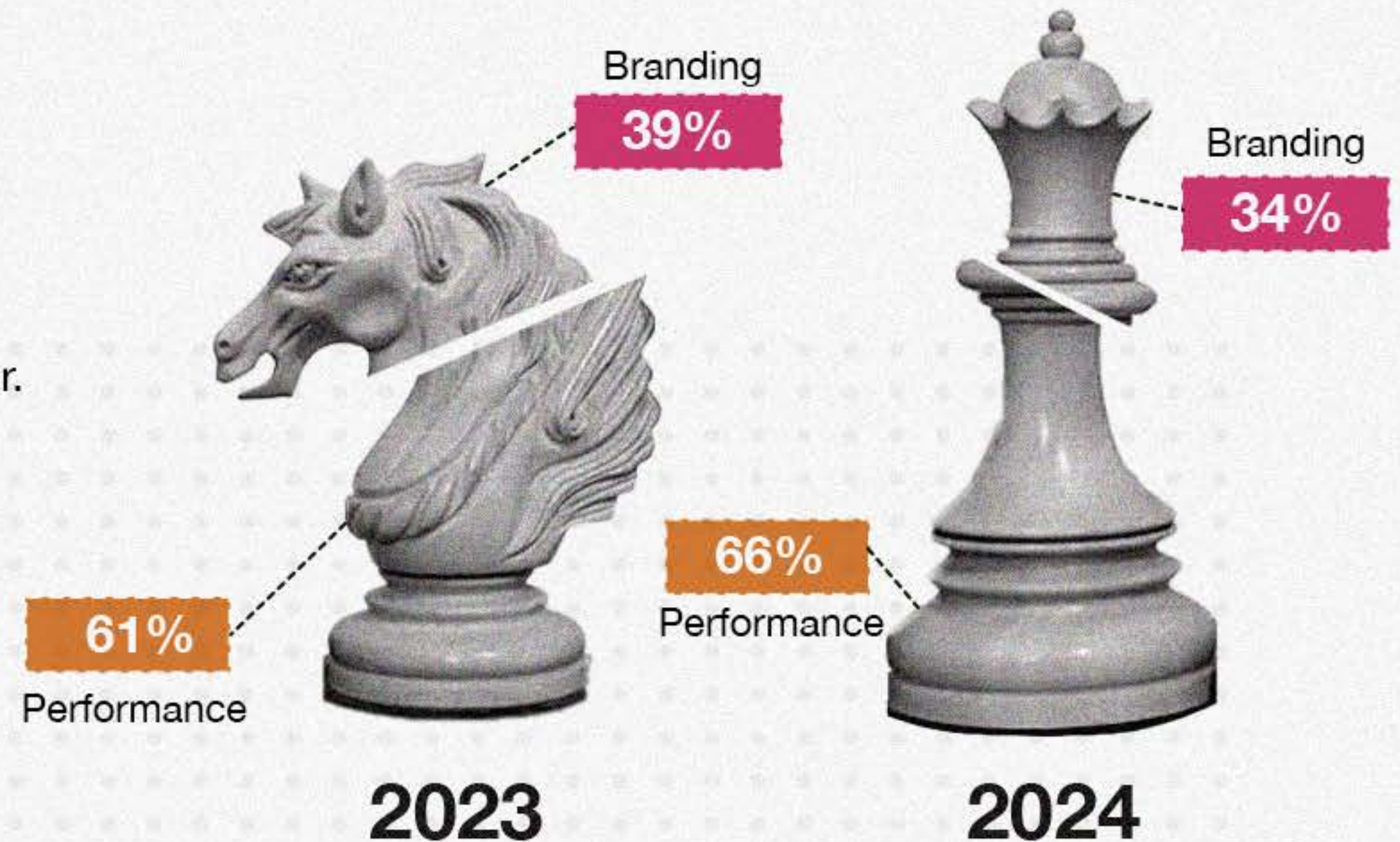


MARKETING SPENDS SET TO RISE IN 2024



PERFORMANCE CONTINUES TO TAKE THE LEAD IN MEDIA PLANNING

66% of media plans will be skewed toward performance over branding as marketers prioritize increasing efficiencies in media buying given the macro economic climate and evolution of consumer behaviour.

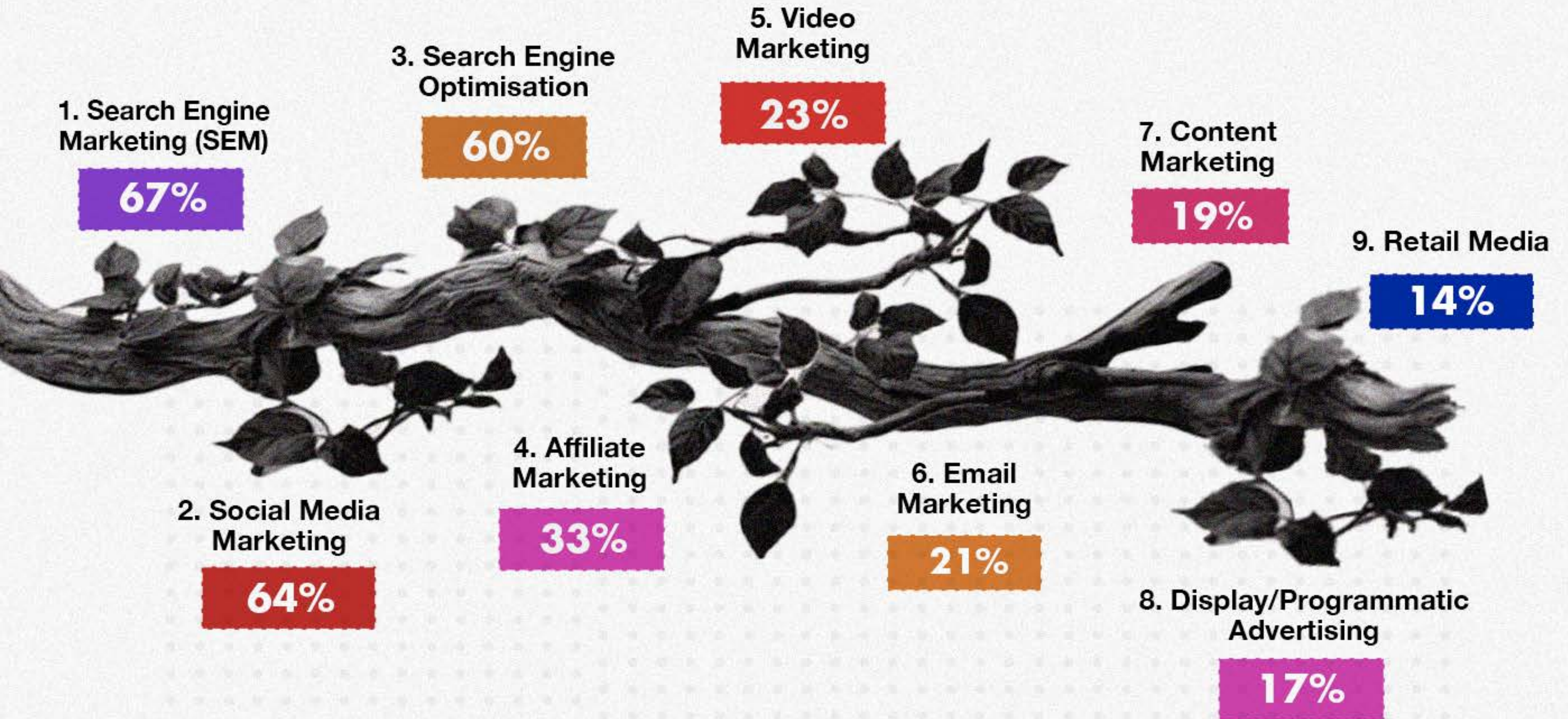


TOP CHANNELS FOR PERFORMANCE MARKETING

Search Engine Marketing (SEM) leads the pack with a significant 67% preference among marketers as it leverages paid search advertising to drive targeted traffic to websites, making it an effective tool for capturing user intent and generating conversions.

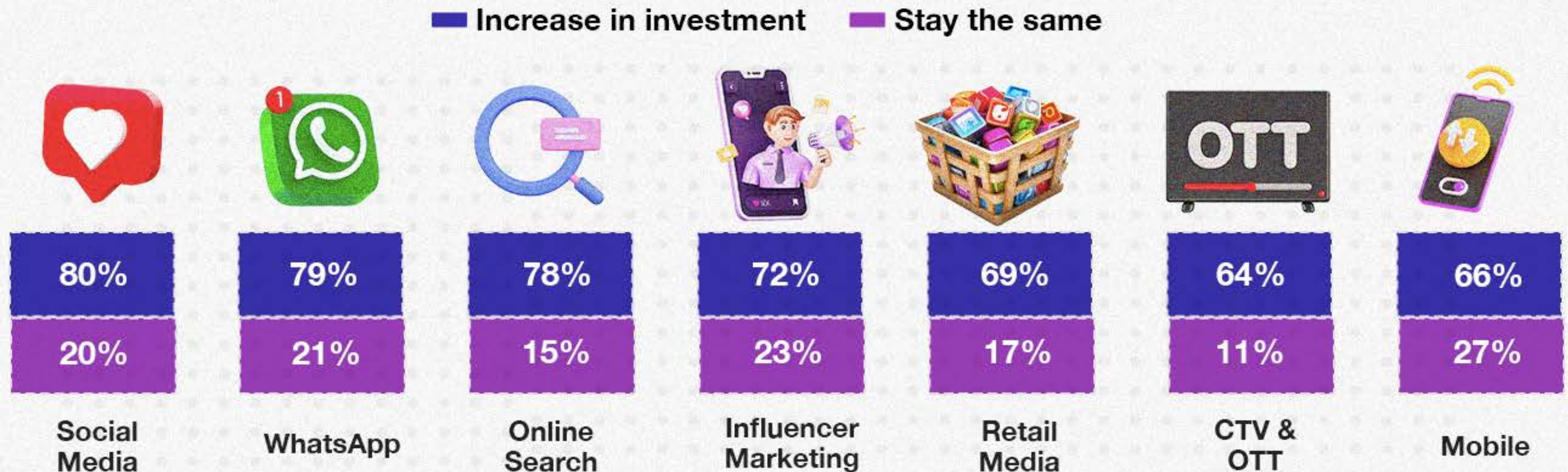
Social media platforms offer extensive targeting options and engagement opportunities, enabling brands to reach their target audience with precision and drive measurable results.

Search Engine Optimization (SEO) remains a crucial component of performance marketing strategies, with 60% of marketers recognizing its importance. By optimizing website content and structure, brands can improve their organic search visibility and attract high-quality traffic over the long term.



MEDIA CHANNELS WITH MAJOR INCREASE IN SPENDS

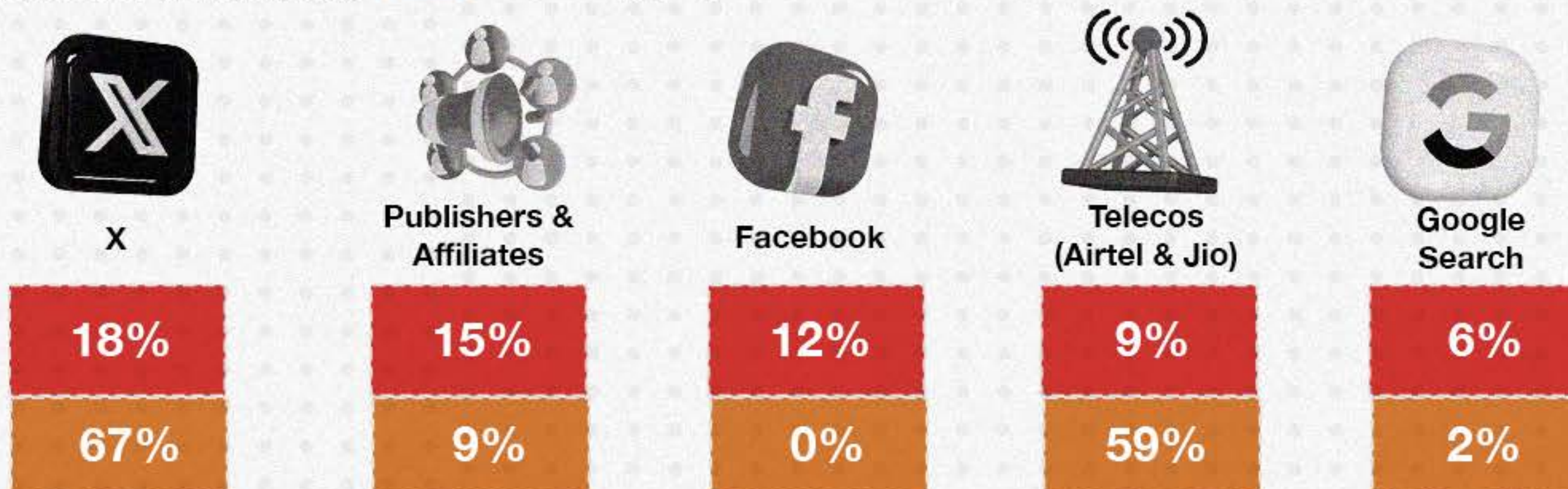
Social media, Social commerce and Conversational commerce facilitated by WhatsApp and similar platforms are slowly taking the edge over Search when it comes to performance marketing. This can be attributed to solutions that help them serve as both branding and performance channels. Retail media is a close second that is gaining on Search, because of similar attributes.



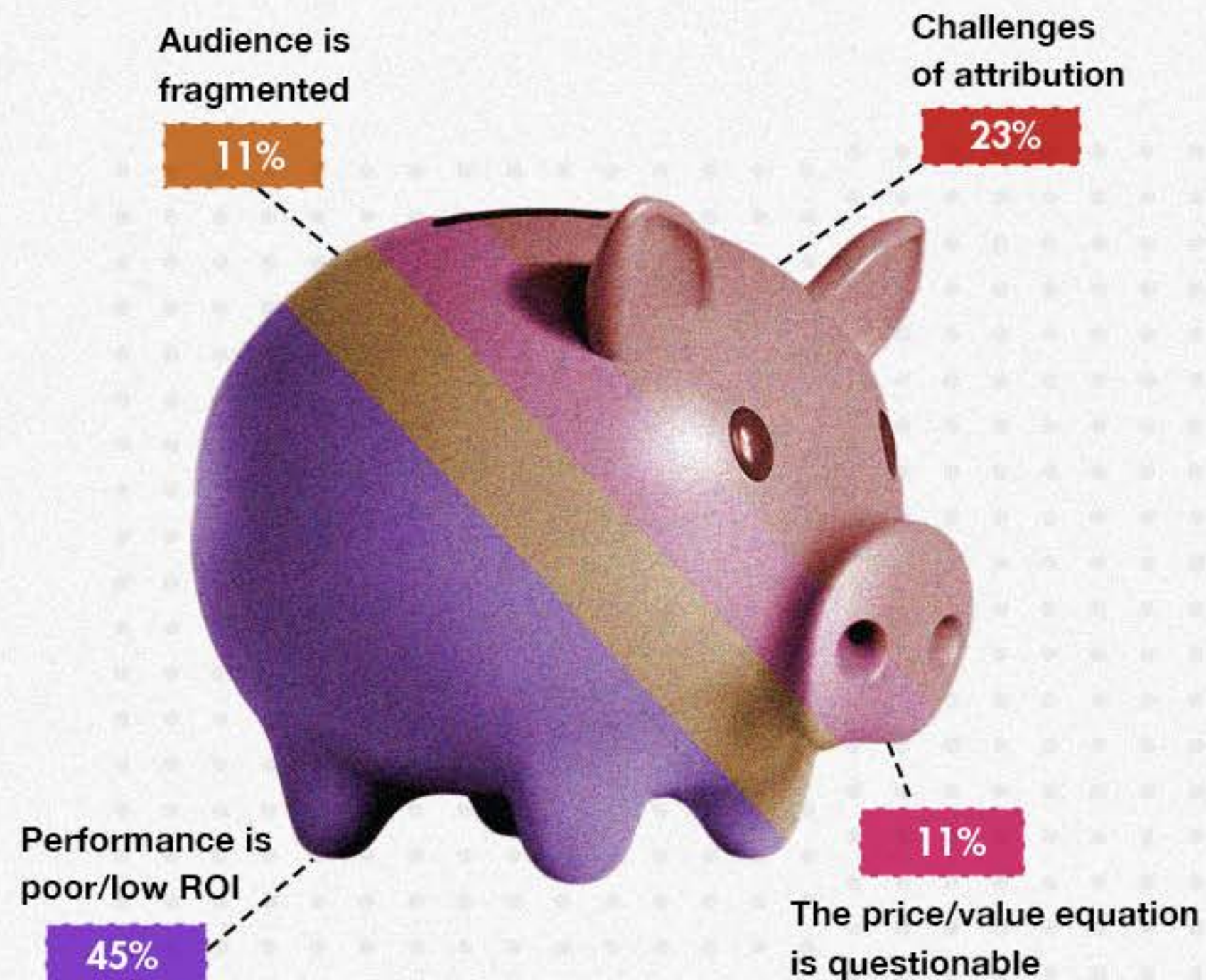
DIGITAL PLATFORMS WITH DECREASE IN SPENDS

In 2024, trends suggest a shift in priorities with marketers potentially re-allocating budgets to channels offering better targeting, performance tracking, and return on investment. Factors such as evolving consumer behaviour, concerns over data privacy, and the search for more cost-effective advertising strategies may have influenced these decisions. While there has been an increase in spends on Social Media Platforms, there is a decline in marketers choosing to spend when it comes to Facebook and X.

■ Decrease in investment ■ Don't spend

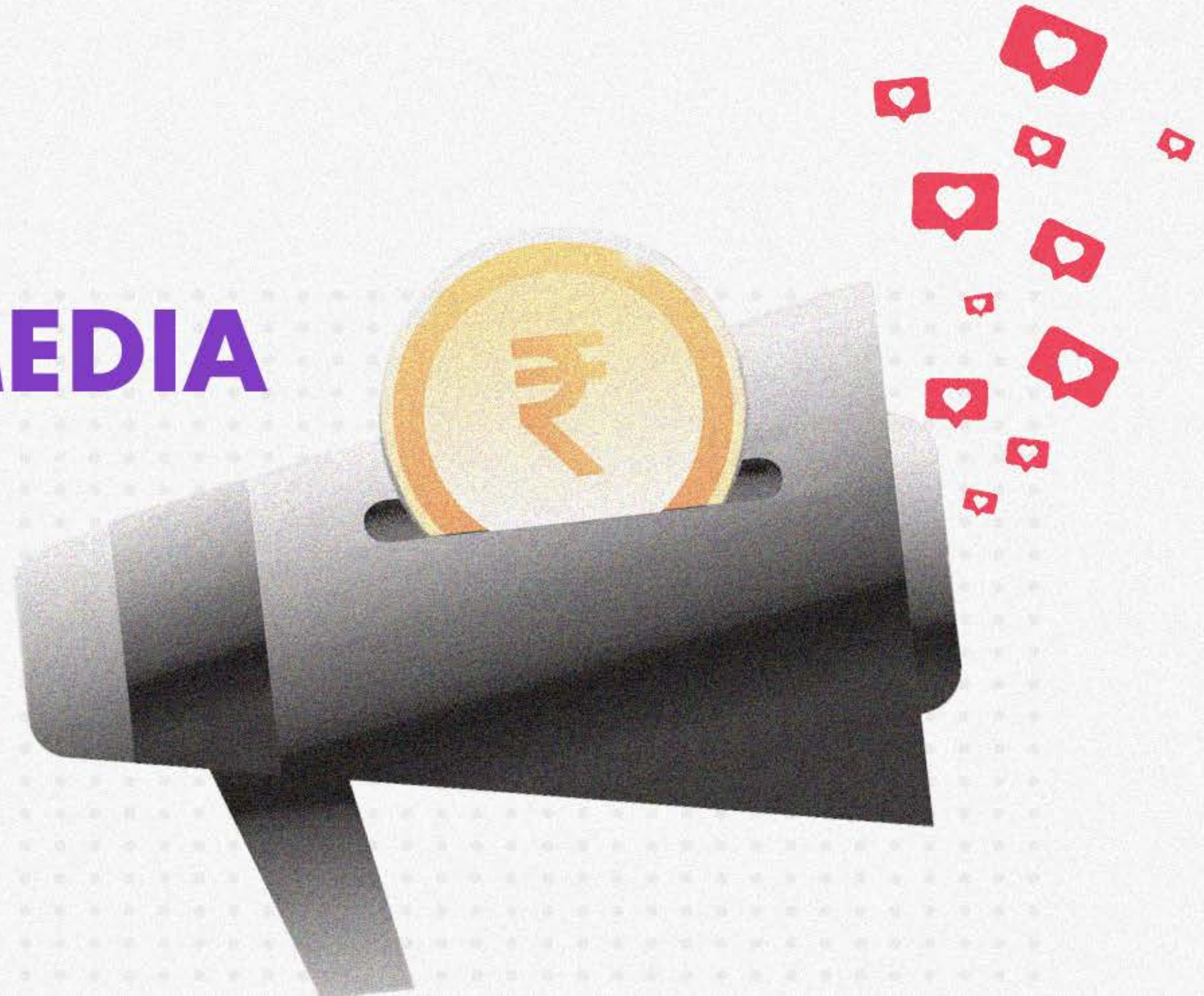


REASONS FOR DECREASE IN INVESTMENTS



- Poor campaign performance and low ROAS are the reasons why some platforms are seeing a decrease in investments
- The challenge of attribution arises from the complexity of modern marketing ecosystems, where consumers interact with multiple channels and devices before making a purchase
- Marketers are re-evaluating their strategies to ensure that expenditures align with the perceived value and contribute to meaningful business outcomes
- Audience fragmentation complicates targeting and messaging strategies, as marketers must navigate diverse preferences, behaviours, and media consumption habits
- Overall low levels of transparency, leads to lack in trust and proper calculation of ROI from these channels

SOCIAL MEDIA SPENDS



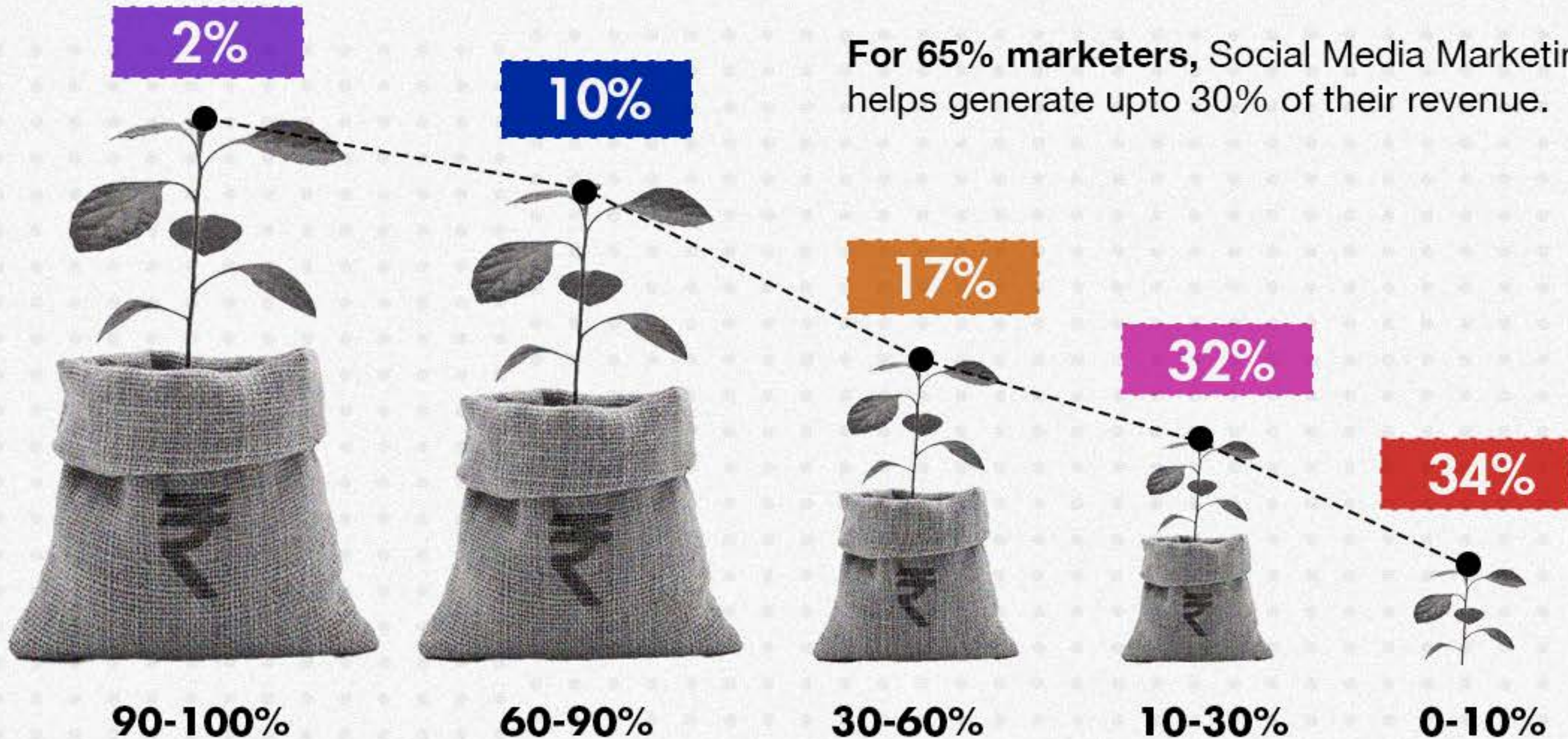
SPENDS ON SOCIAL MEDIA

**40% of the Digital Marketing Budget
is set to go to Social Media.**

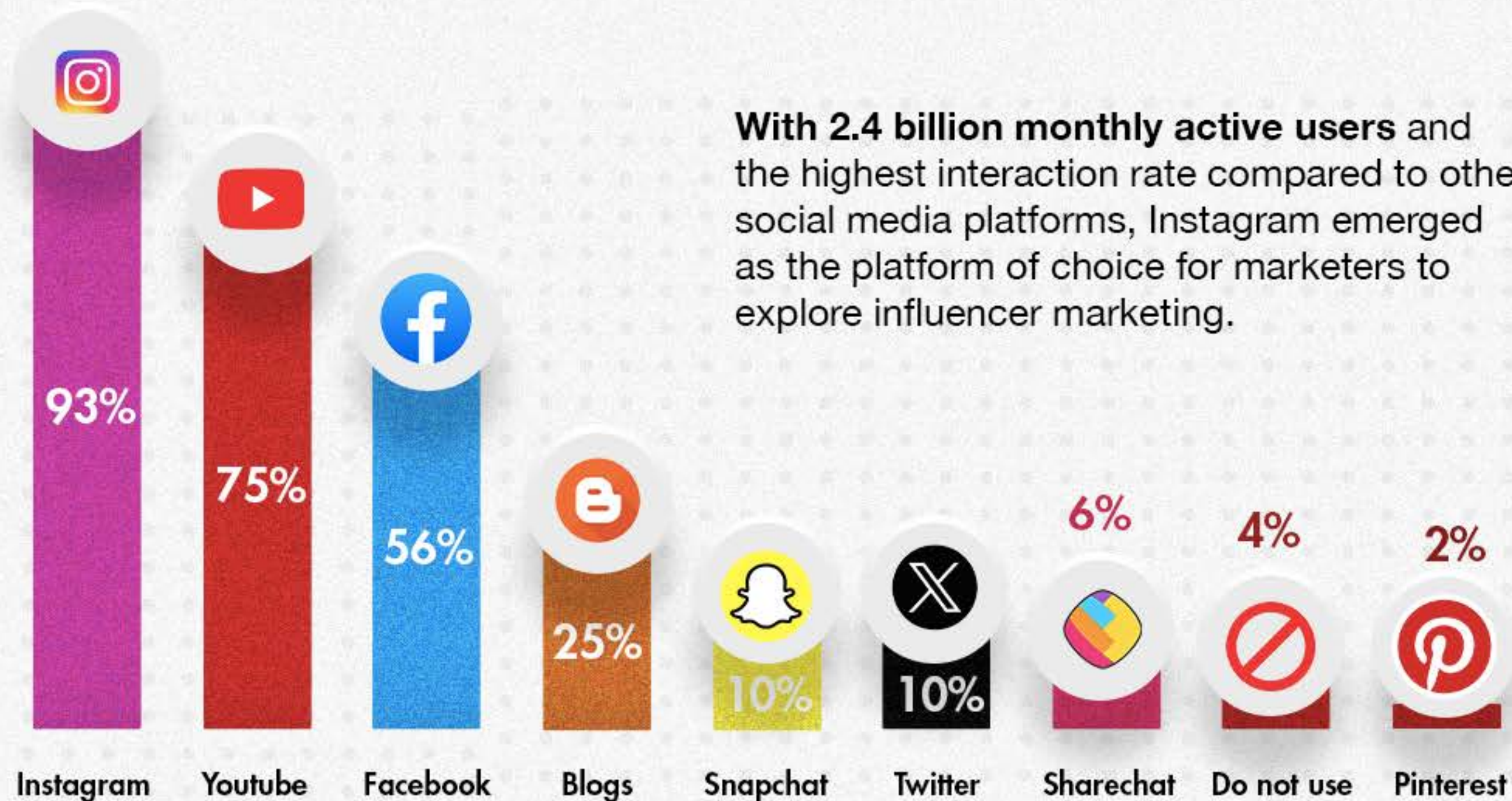
With its role of helping reach a bigger audience, allowing for targeted media campaigns, and ability to build a community, marketers continue to allocate a dedicated budget to Social Media Marketing.



REVENUE GENERATED VIA SOCIAL MEDIA



PLATFORMS TO INFLUENCE AUDIENCE



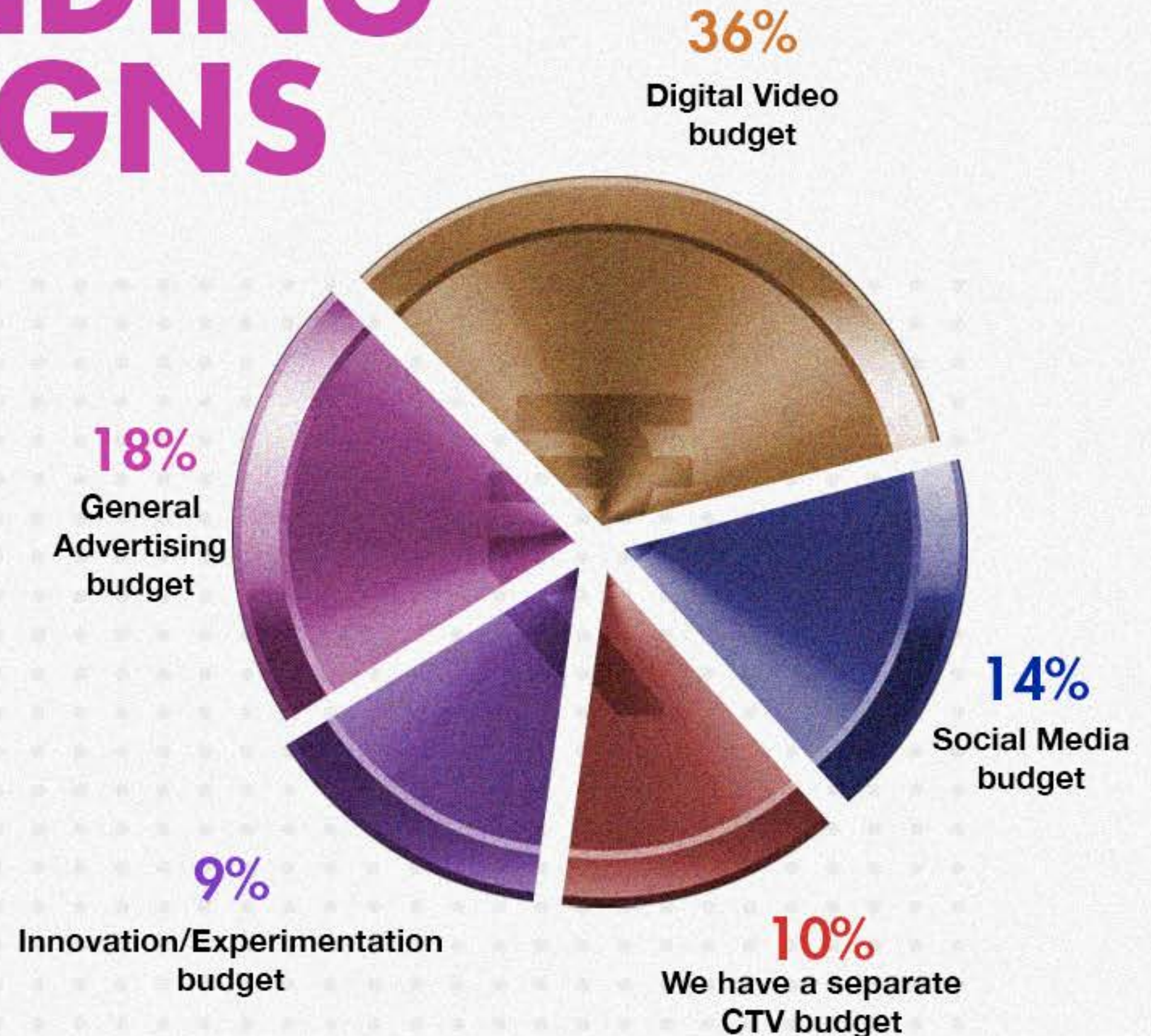
CTV TRENDS



WHAT'S FUNDING CTV CAMPAIGNS

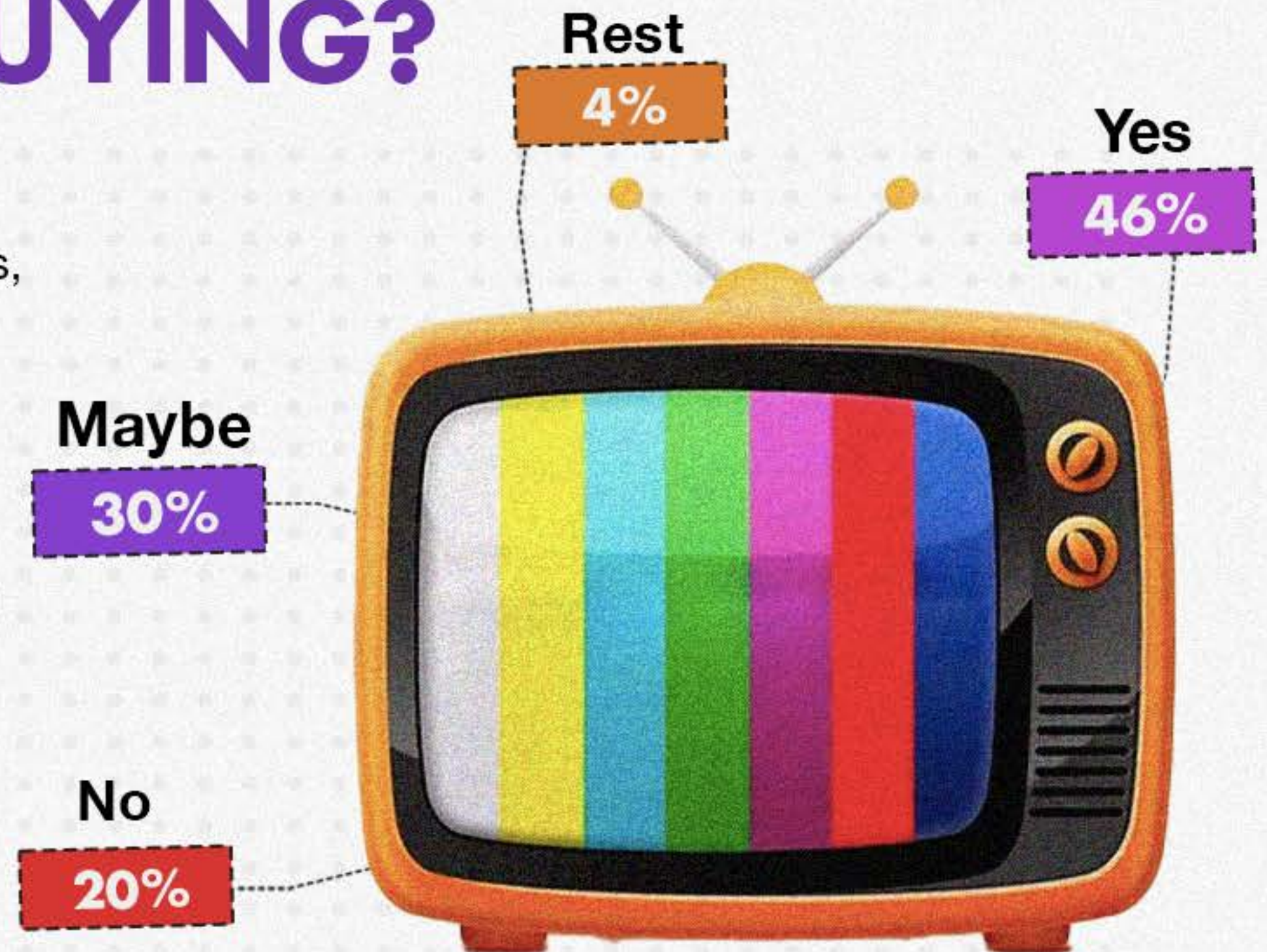
CTV's share of budget in the overall digital share seems to be rising with each year, with an increase of 64% in spends expected this year as per our survey.

Marketers are seeing more and more value in the ecosystem. It seems as if CTV is sharing video budgets with multiple platforms, given the rise of integrated media solutions and improving multi-channel attribution systems.



A SINGLE PROGRAMMATIC PLATFORM FOR CTV AND LINEAR MEDIA BUYING?

Proponents of a unified programmatic platform argue that it would streamline the buying process, improve targeting capabilities, and enhance the overall efficiency and effectiveness of TV advertising campaigns. On the other hand, sceptics may cite challenges related to technological integration, industry regulations, and the preservation of traditional TV advertising models as reasons for their doubts.



RETAIL TRENDS



RETAIL MEDIA BUDGET ALLOCATION



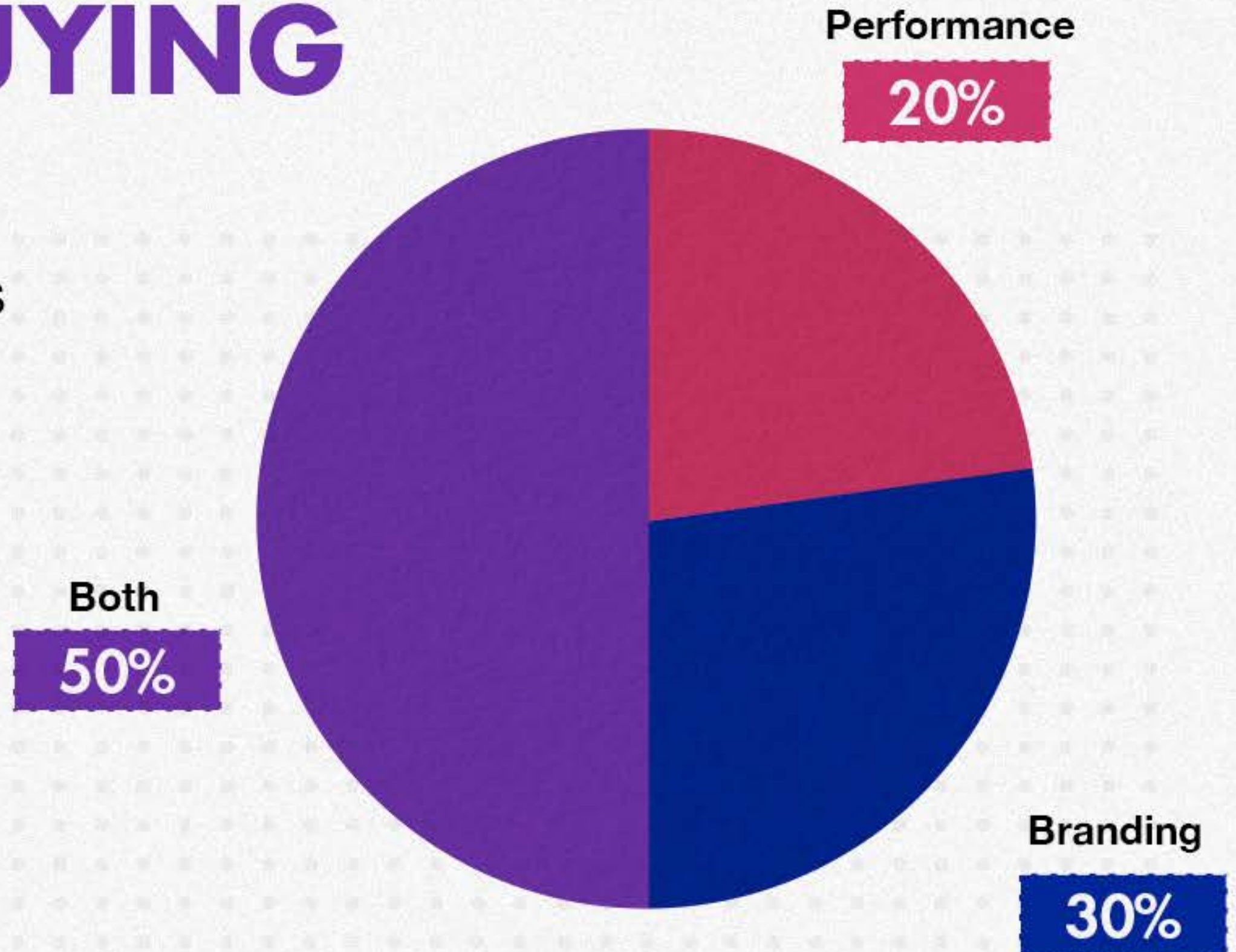
70% of all brands surveyed, said that they will increase their investments in retail media.

Each consecutive year, this percentage has increased both in terms of number of brands investing and volume of investments.

Most marketers say that this is because of the dual function that Retail Media plays in media planning, allowing brands to use it as a platform that caters to their entire marketing funnel from point of awareness to sales and everything in between.

RETAIL MEDIA'S ROLE IN MEDIA BUYING

50% of marketers in our survey use retail media as both branding and performance channel.



MARTECH INVESTMENTS AND PRIORITIES



MARKETING BUDGET SET ASIDE FOR MARTECH AND INNOVATIONS

26% of the Marketing Budget is allocated for martech and other innovations in 2024, while this figure was 25% in 2023.

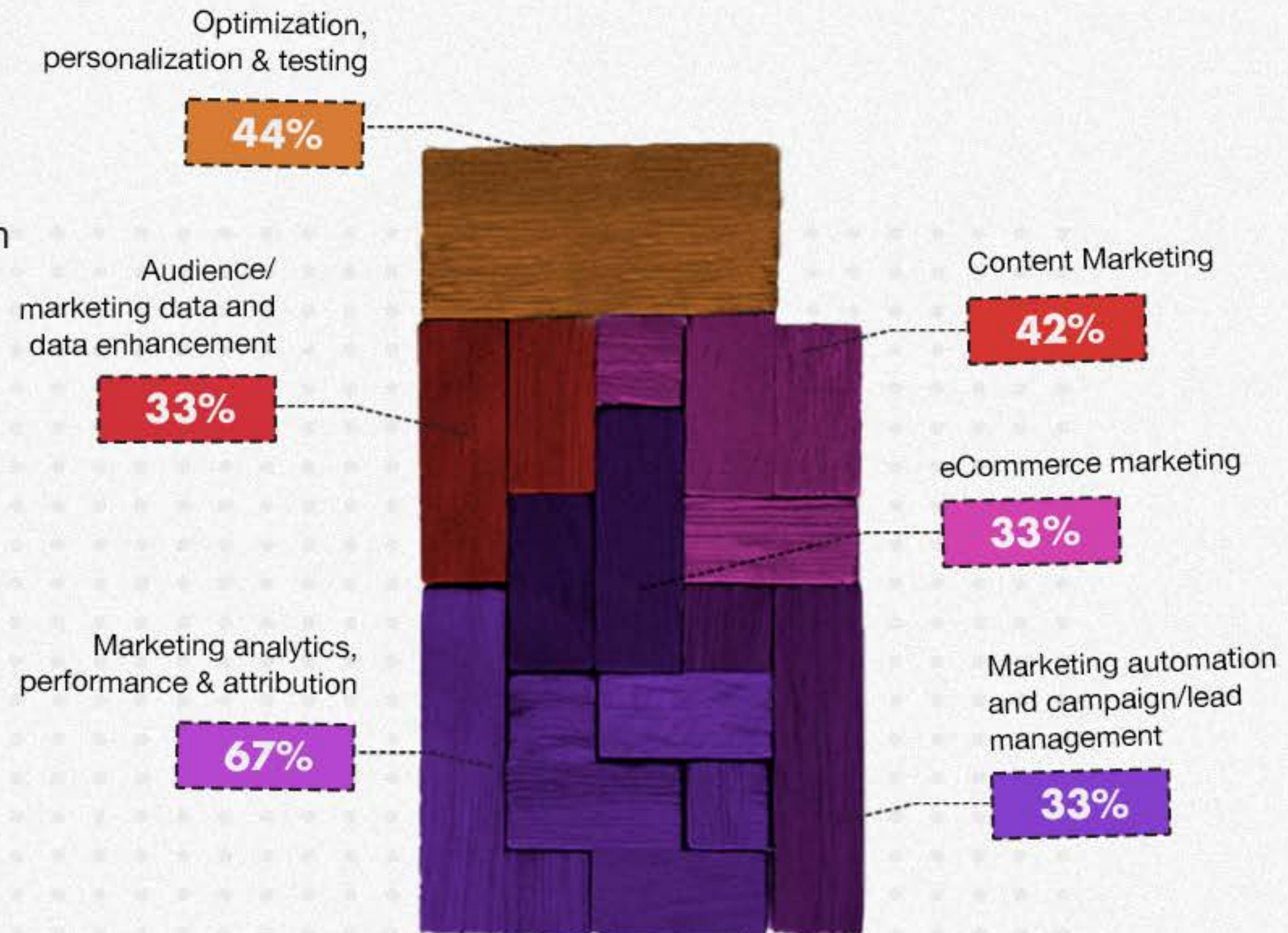
This allocation underscores the growing importance of leveraging technology to drive marketing initiatives and enhance overall effectiveness for brands.



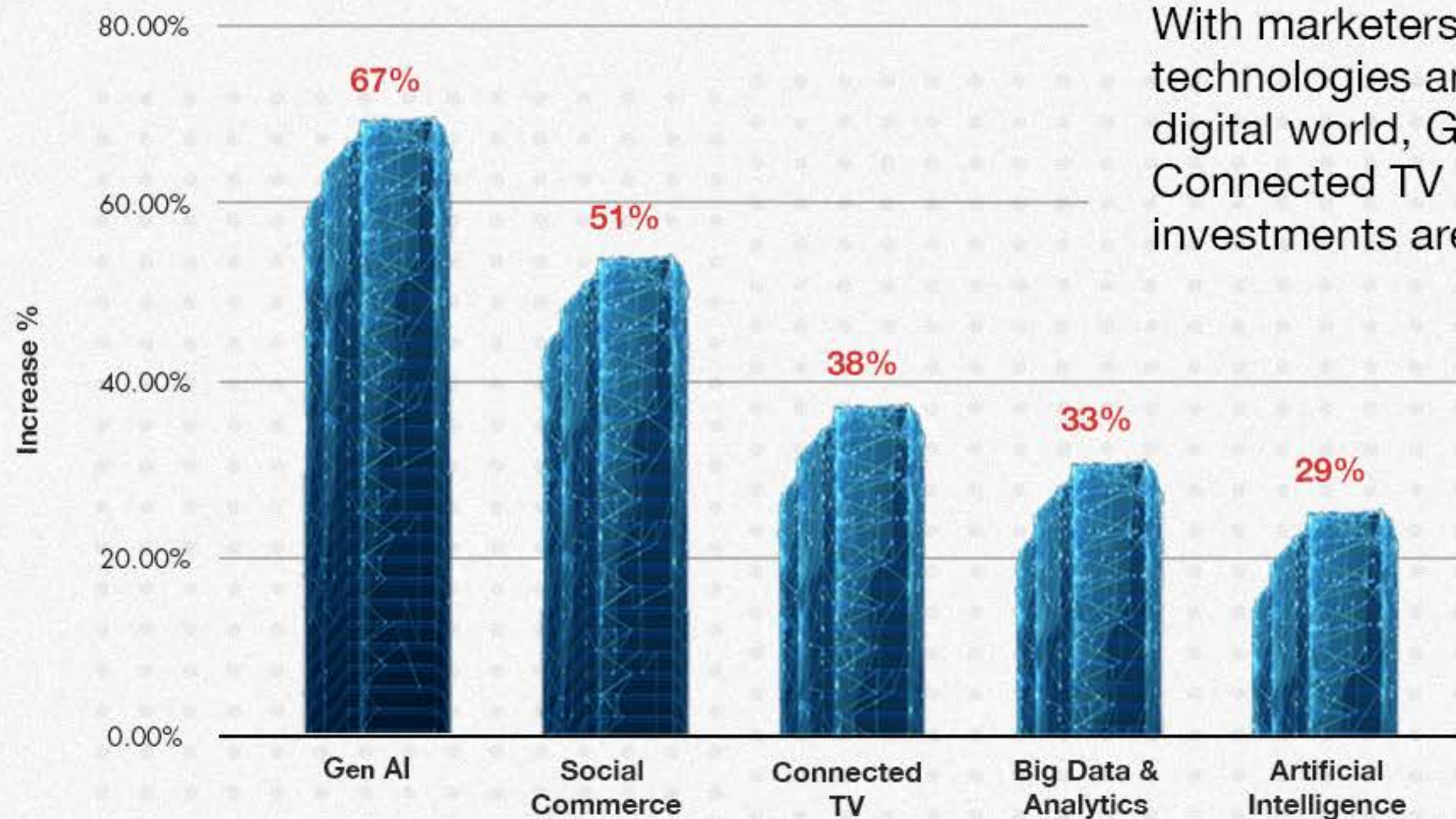
TOP PRIORITIES - MARTECH

Martech spends lean heavily towards measurement, analytics and attribution once again, followed by optimisation tools. This is in line with keeping up stable growth patterns and building media efficiencies that are a priority for most marketers today.

Notably, content marketing, personalisation and CX-based initiatives are also taking a substantial portion of the pie, showcasing medium and long-term efficiency goals that are being chased today. The world is now measuring unit economics and long-term business viability vs following the short-term growth or growth at any cost methodology.



INCREASE IN EMERGING TECHNOLOGIES

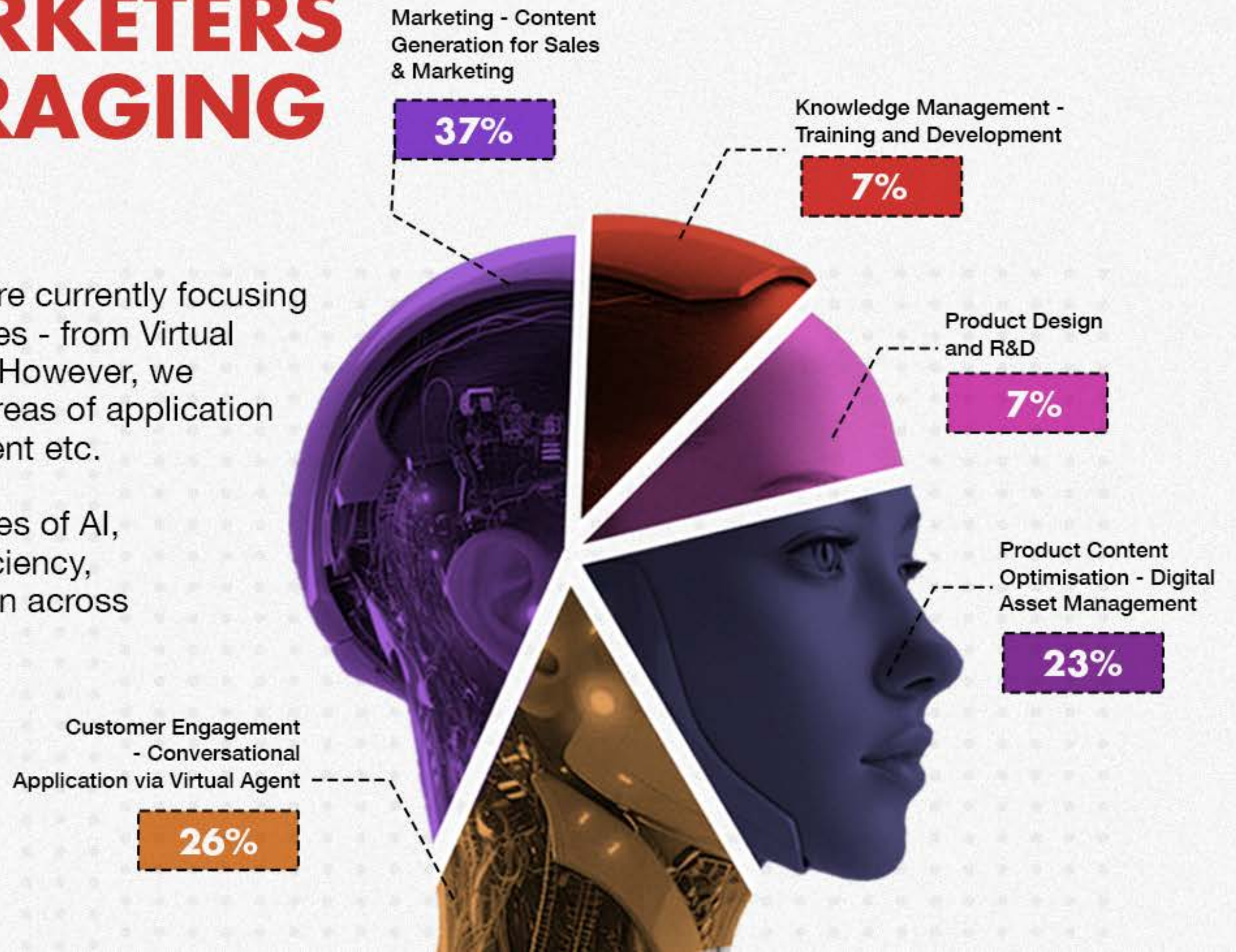


With marketers looking to tap into the latest technologies and innovations in this fast-paced digital world, Gen AI, Social Commerce and Connected TV remain key areas where the investments are expected to increase in 2024.

HOW MARKETERS ARE LEVERAGING GEN AI

Most use cases for GenAI are currently focusing on Communication Strategies - from Virtual Bots to Content Marketing. However, we are seeing a rise of newer areas of application such as Product Development etc.

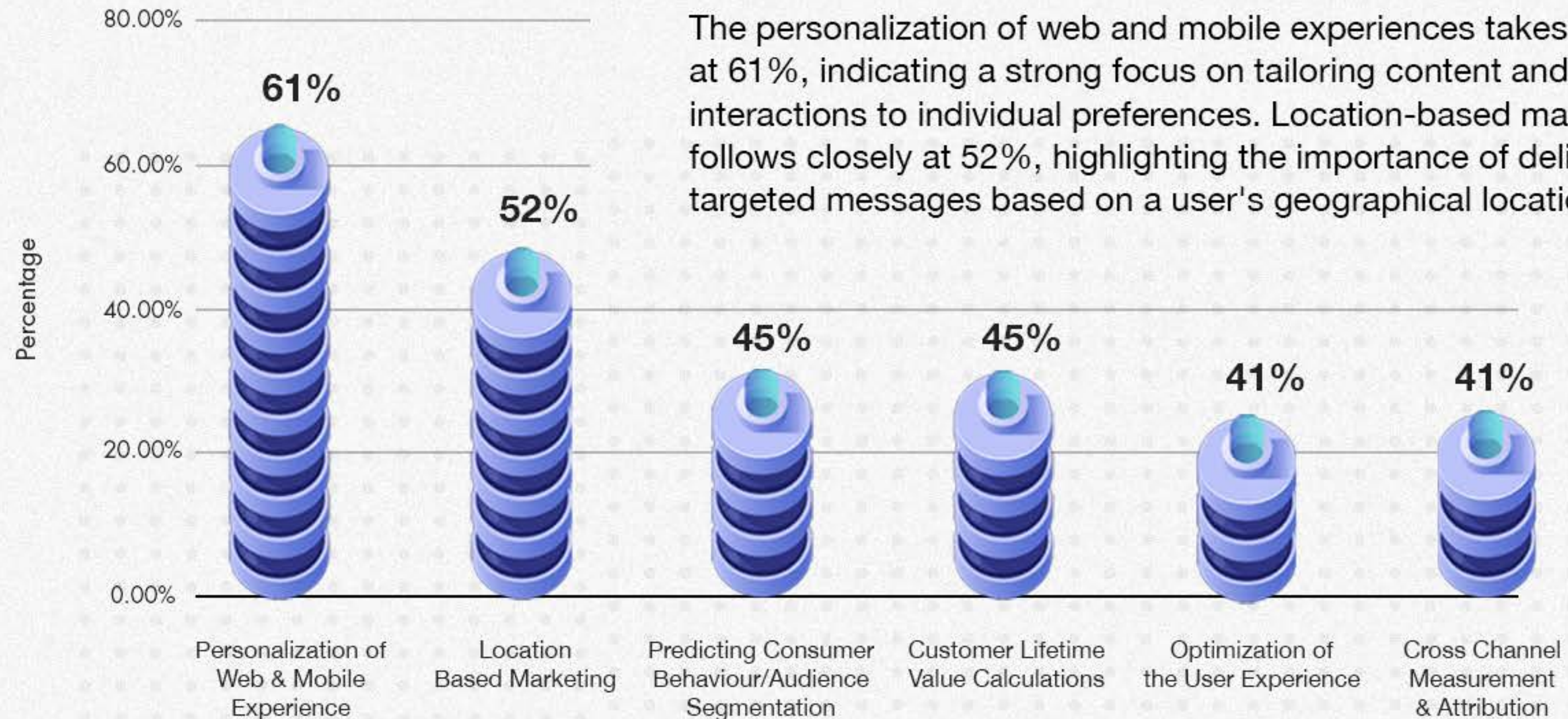
By harnessing the capabilities of AI, marketers can enhance efficiency, effectiveness, and innovation across their marketing efforts.



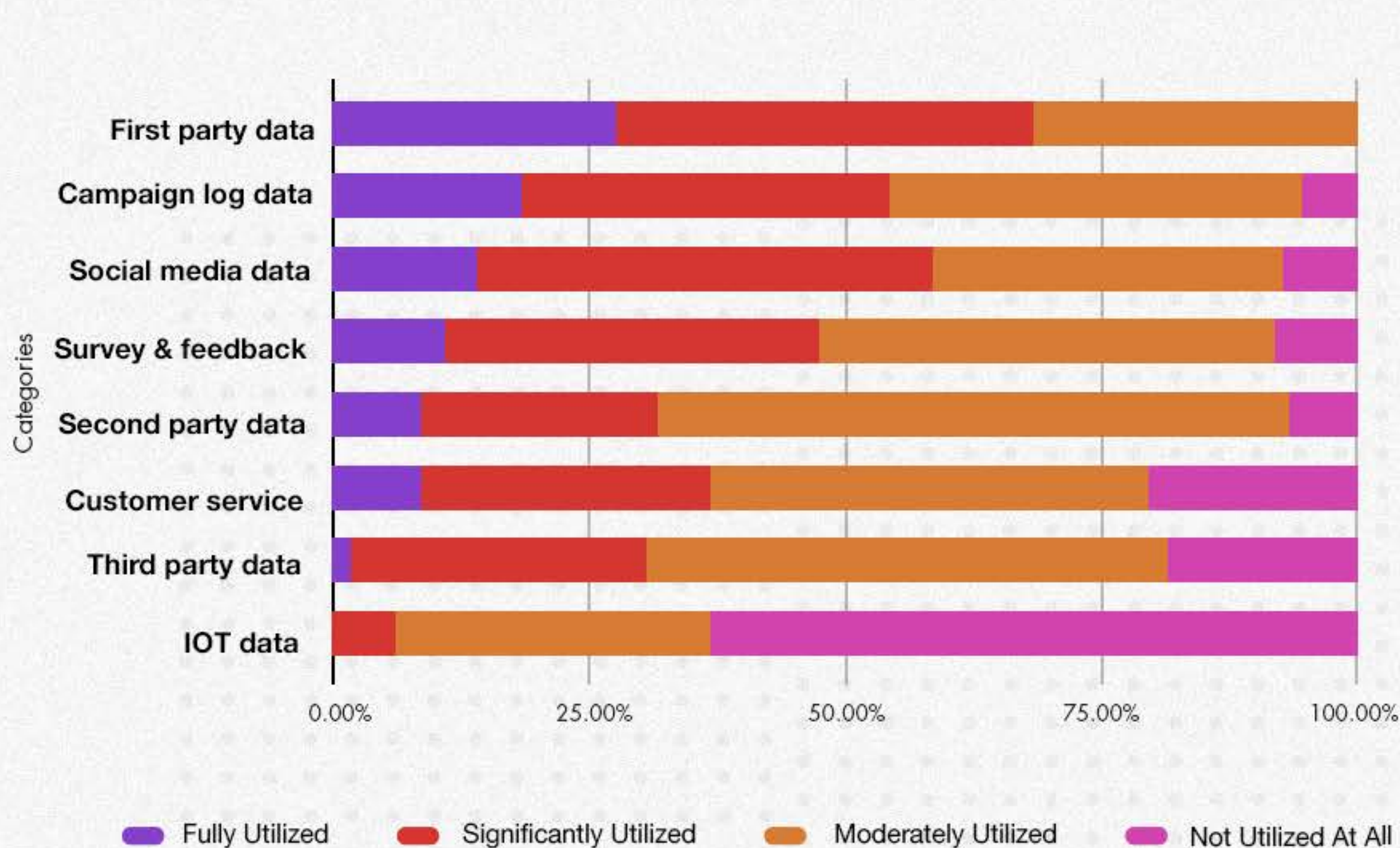
DATA AND PERSONALISATION



USE OF DATA ASSETS FOR BRANDS



DATA ASSET UTILISATION



- Only 28% of marketers believe first-party data is fully utilized by their company
- It seems marketers have become adept at collecting useful consumer data from different touchpoints of the buyer journey, which resonates with their increasing martech spends on attribution. However, utilizing collected data in the most efficient manner still remains a challenge, but brands are improving on it every year. With the rise of GenAI and better efficiency models predicted, marketers can look forward to using this data more and more effectively every year

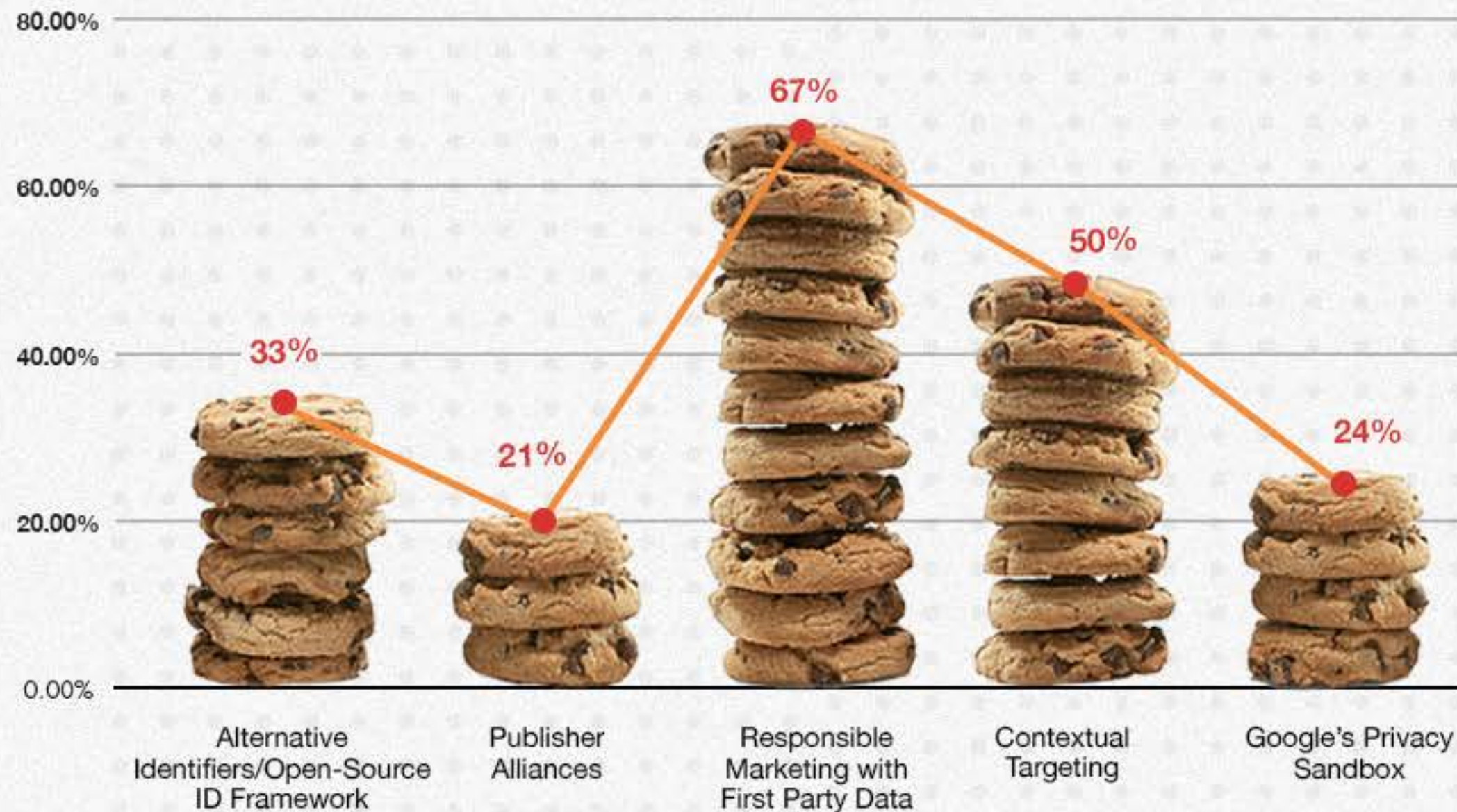
MARKETERS' TOP CHALLENGE IS TARGETING SEGMENTED AUDIENCE

59%

of marketers ranked targeting segmented audience as the #1 critical priority/challenge they face while utilizing their data assets.

- **Targeting Segmented Audiences**
- Using Data in Real Time
- **Data Privacy and Compliance**
- Breaking Down Data Silos
- Walled Gardens do not provide enough Insights to make comparisons with other Channels or Partners
- Making Meaningful Connections
- Getting Accurate Data for Personalisation
- Integration of Data from Various Sources

3RD PARTY COOKIES ALTERNATIVES FOR MARKETERS



As marketers navigate the impending changes brought about by the deprecation of third-party cookies, they are exploring alternative strategies and technologies to maintain effective targeting and measurement capabilities.

ABOUT US



ad:tech is India's largest Digital Marketing conference and exhibition. For more than 14 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 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