

 Nielsen

2023 Global Annual Marketing Report

Europe, the Middle East and Africa Insights

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The need for consistent measurement in a digital-first landscape

Few changes in the media industry are as defining as audiences' relationship with television. Today, the growing proliferation of smart TVs¹ and other devices that bring the internet to the television screen have given audiences access to anything the internet has to offer. This connectivity also gives brands an emerging channel to engage audiences with.

Streaming channels are not alone in attracting increased marketing spend from marketers. Brands are increasing their spending across all digital channels to keep pace with audiences—even amid economic uncertainty.

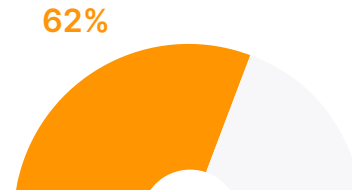
With this as a backdrop, the survey supporting this year's Annual Marketing Report desired to better understand which channels marketers are focused on, how effective they believe each channel is and how confident they are in assessing the returns of their investment across all of the channels they invest in.

¹A smart TV is an internet-enabled television

Key survey findings

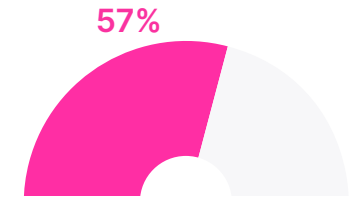
1 Economic headwinds aside, marketers expect their ad budgets to grow

More than two-thirds of marketers in EMEA (68%) said the economic conditions had an extreme or significant impact on planning for 2023. Nevertheless, 62% expect their annual budgets to increase this year.



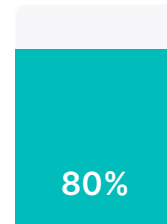
3 Confidence in measuring ROI is low across digital channels

Marketers' confidence in being able to measure the returns of their spending is relatively low at the channel level. On average across EMEA, marketer confidence in ROI measurement across digital channels is 57%, which leaves them without insight into the complete return of their spending.



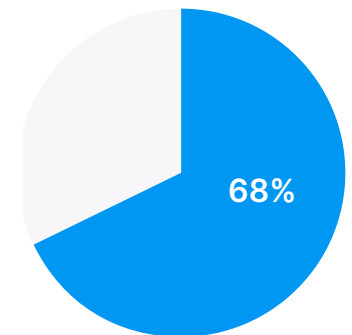
2 Streaming is the future, but it has yet to prove its value to marketers

The growth of streaming illustrates the future of how audiences will engage with TV. Marketers across EMEA see the opportunity, as 80% say they now include streaming in their media planning. Only 54%, however, view this spending as extremely or very effective.



4 The use of multiple measurement tools hinders confidence in a single view of audience performance

Given the historically different methodologies for linear and digital measurement, the widespread use of multiple measurement solutions is a factor in marketers' stated confidence in arriving at consistent, person-level measurement across devices and platforms. On average, 68% of marketers across EMEA use multiple measurement solutions to arrive at cross-media measurement, with 16% leveraging four to five.

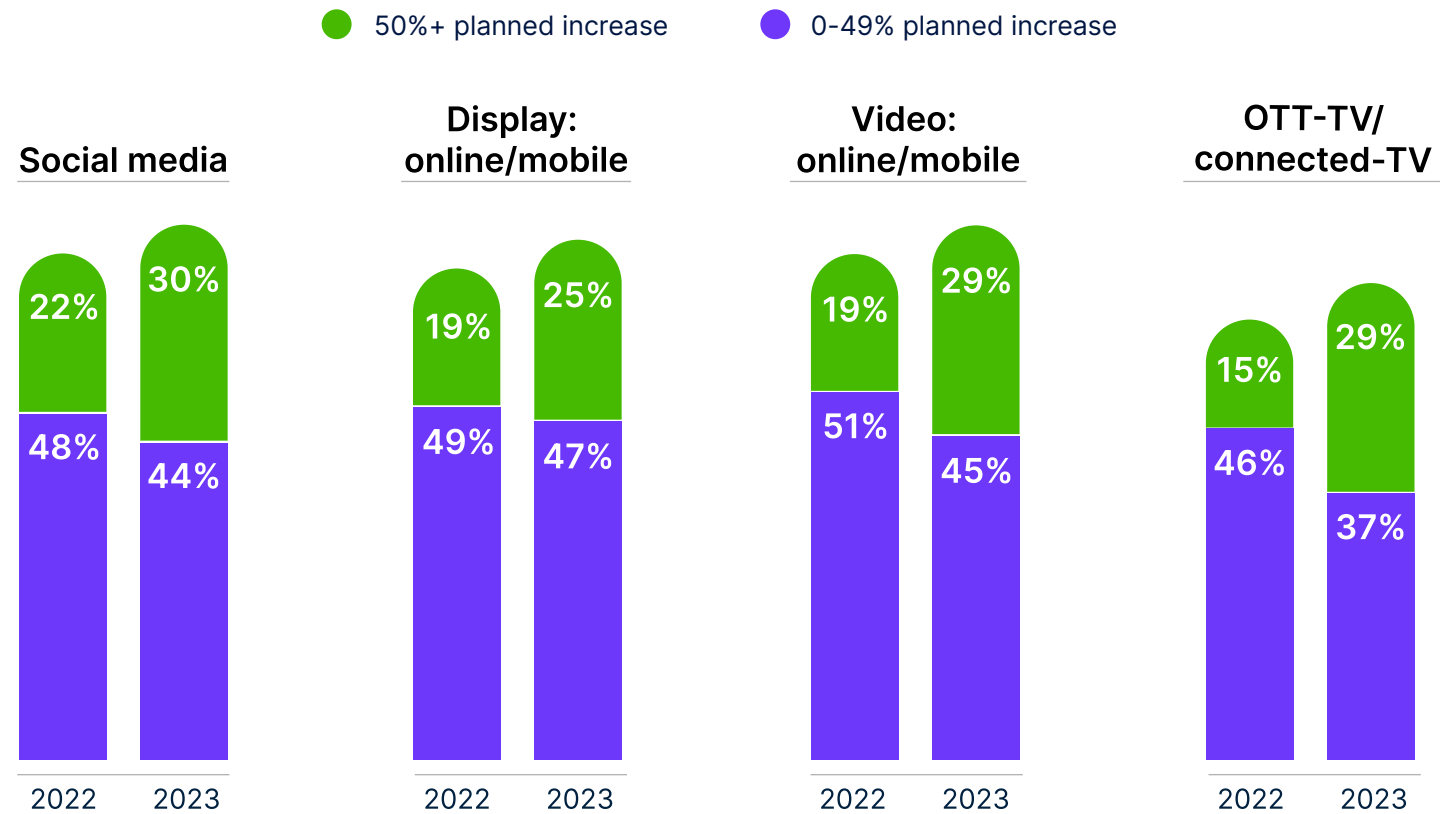


I. Marketers expect bigger budgets despite economic headwinds

Heading into 2023, marketers across Europe, the Middle East and Africa (EMEA) were prepared for uncertainty, with 69% saying that the economic conditions had an extreme or significant impact on their planning for the year.




That uncertainty notwithstanding, the majority (62%) still expect their ad budgets to increase in the year ahead, with 13% expecting increases of 50% or more. And brands continue to increase their focus on digital channels to keep pace with audience engagement.

Anticipated budget changes throughout the year



Source: Annual Marketing Report surveys

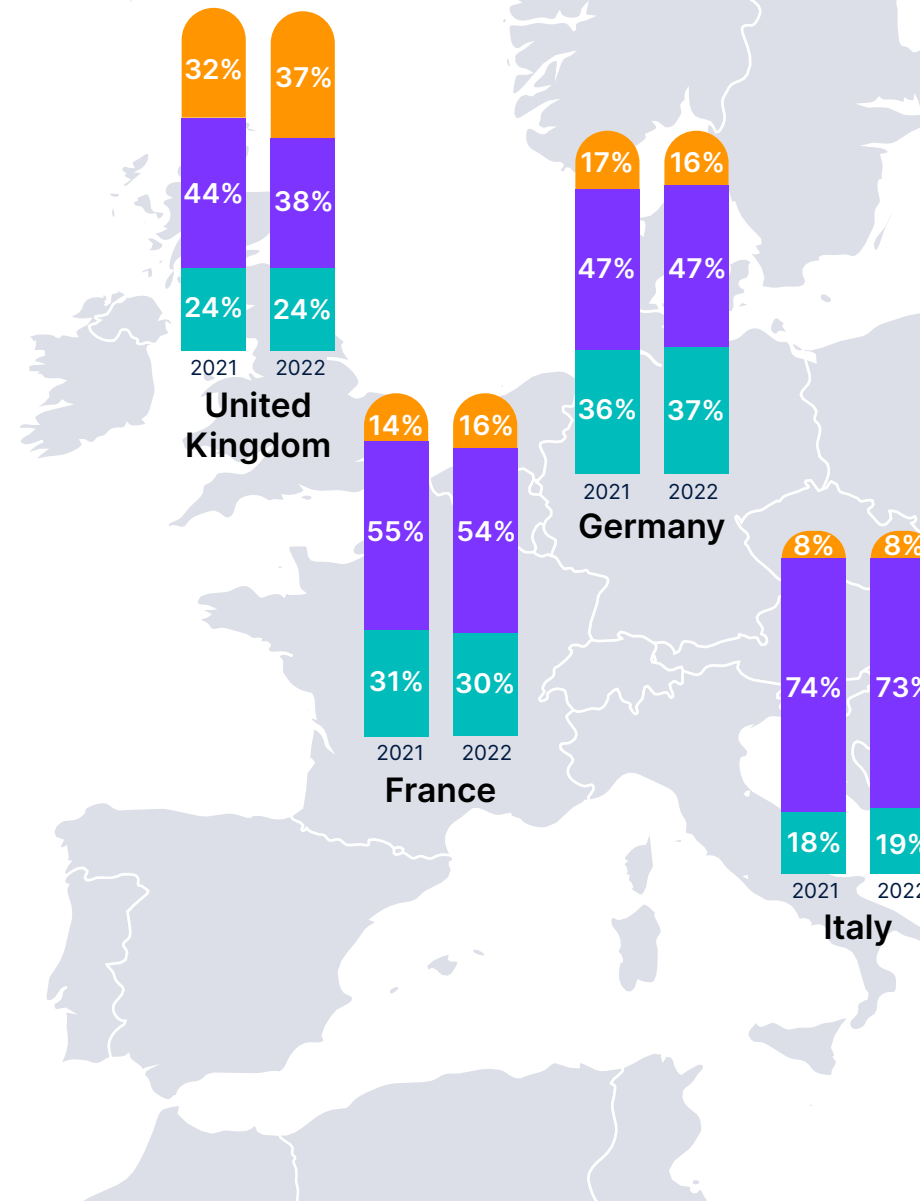
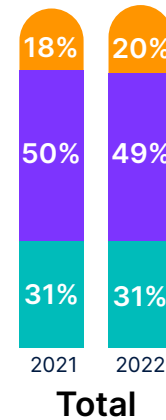
The increased spend across digital channels aligns with trends we've been tracking via [Nielsen Ad Intel](#):

-  Across France, Denmark, Italy and the U.K., ad spending across internet channels grew to account for 20% of all media spending in 2022, up from 18% in 2021.
-  Spending across internet channels is lowest in Italy, as just 8% of media spending last year was focused on internet channels. Spending across TV is highest in Italy.
-  Spending across internet channels is highest in the U.K., as 37% of media spending last year was focused on internet channels. Spending across TV is lowest in the U.K.

Internet and TV account for 69% of ad spending in key markets across EMEA

The findings of our recent survey illustrate that brands are adjusting their marketing strategies to meet audiences where they are. Given the recent rise in streaming usage, 80% of marketers in EMEA say they now include streaming channels in their media plans.

They also understand the importance of knowing who is engaging with the devices and channels that carry their advertising, as 67%, on average, acknowledge the importance of comparable measurement across channels. The downside within the findings, however, is that marketers express relatively low confidence in channel effectiveness and their ability to measure ROI across channels.



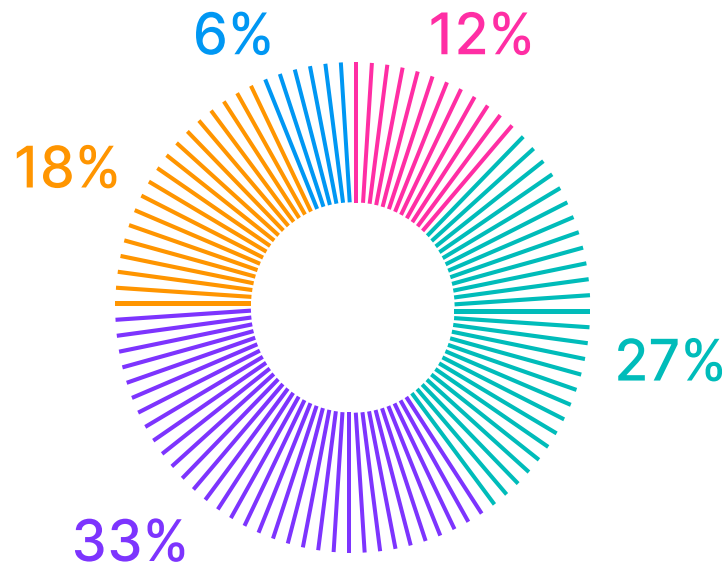
Source: Nielsen Ad Intel

II. EMEA marketers are leaning into CTV

The increased spend across digital video, including CTV, reflects audiences' shift to streaming. Well aware of the transition to streaming, global marketers are adjusting their media spend accordingly: Across EMEA, on average, 33% of marketers report allocating 40%-59% of their budgets to CTV, and nearly one-fifth (18%) report shifting 60%-79%.

How much of your ad budget is shifting to CTV?

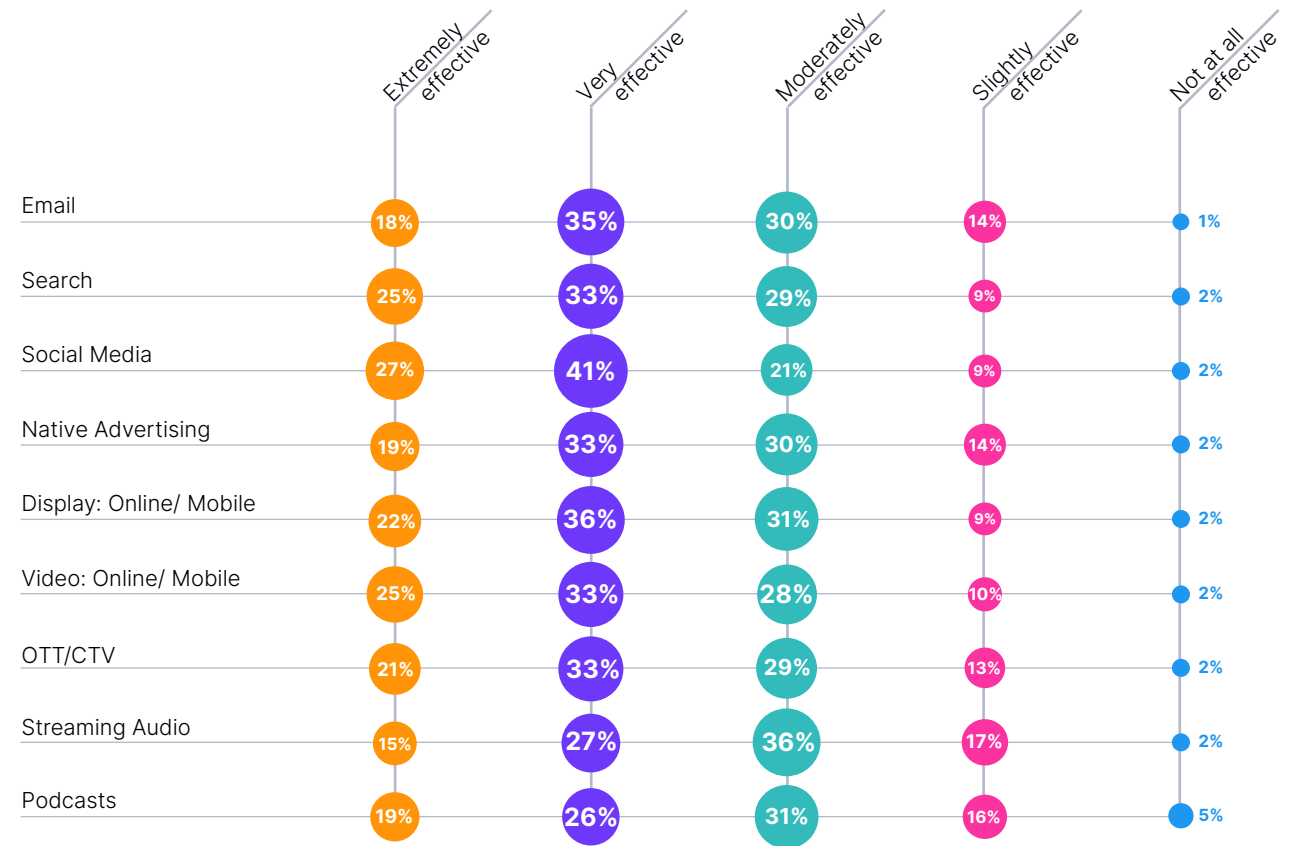
● Less than 20%
 ● 20%-39%
 ● 40%-59%
 ● 60%-79%
 ● 80% or more



Note: The data may not sum to 100% because the chart does not display data for 'not applicable', 'prefer not to say' and 'don't know'.

Despite the shifting of budgets to CTV, marketers across EMEA view this channel as slightly less effective than many others. Only 54% view it as extremely or very effective. And as we saw last year, marketers believe social media is the most effective channel.

Effectiveness - digital channels



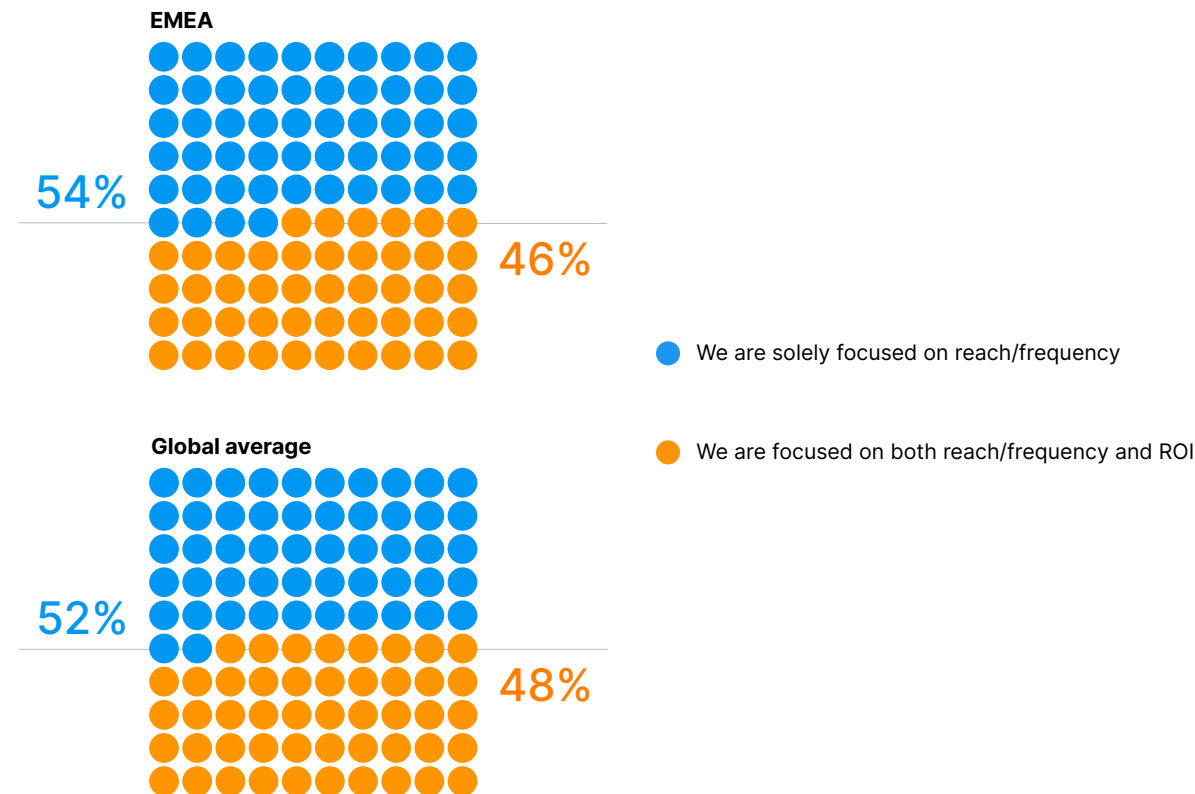
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III. Confidence in holistic ROI measurement is low

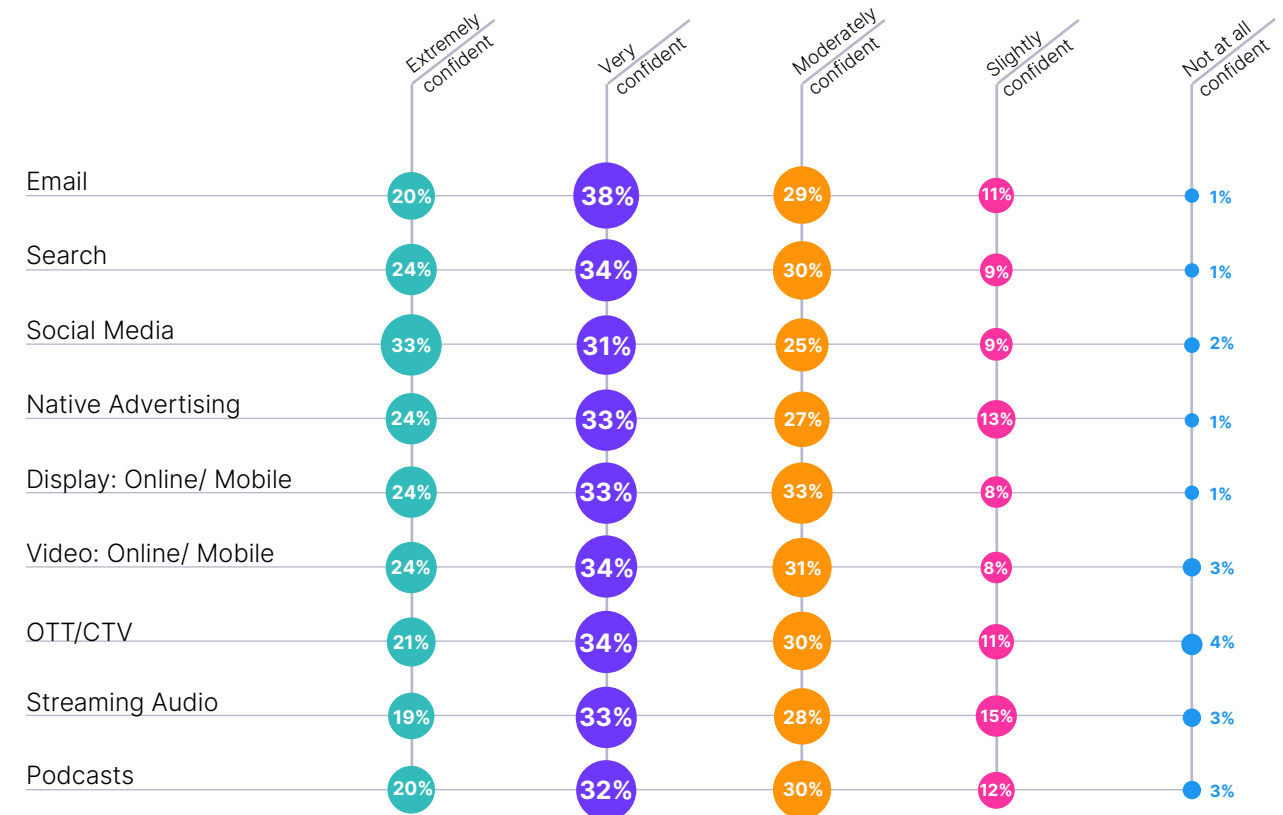
While marketers see the benefit of digital channels and the ballooning streaming space, many are unsure how to make heads or tails of their cross-media investments. Measurable returns will always provide marketers with the guidance they need to make tactical media investment decisions, but cross-media ROI measurement challenges have more than half of marketers in EMEA (54% on average) focused only on reach and frequency metrics.

Across individual digital channels, confidence in ROI measurement in EMEA is 64% or less, with confidence in podcast and streaming audio measurement ROI both at 52%. With respect to understanding complete consumer journeys (full-funnel) across all media, ROI measurement confidence is 57%, which is above the global average of 54%.

Which best describes your cross-media measurement approach?



Confidence in ROI measurement by channel



Note: The data may not sum to 100% because the chart does not display data for 'not applicable', 'prefer not to say' and 'don't know'.

Given the increasing complexity of the media landscape, several factors, in addition to the diminishing use of martech, could be inhibiting marketers' confidence in ROI measurement:

- Campaign effectiveness metrics
- Incomplete audience data
- Channel-specific measurement tools
- Reduced investment in marketing technology

Many marketers don't equate campaign success with on-target reach

Somewhat surprisingly, global marketers don't always equate understanding cross-platform reach with measuring a campaign's effectiveness in reaching a target audience. Across EMEA, only 60% of marketers believe understanding cross-platform reach is important in measuring whether their campaigns reach their intended audience, which is in line with the global average.

Effective reach depends on quality audience data

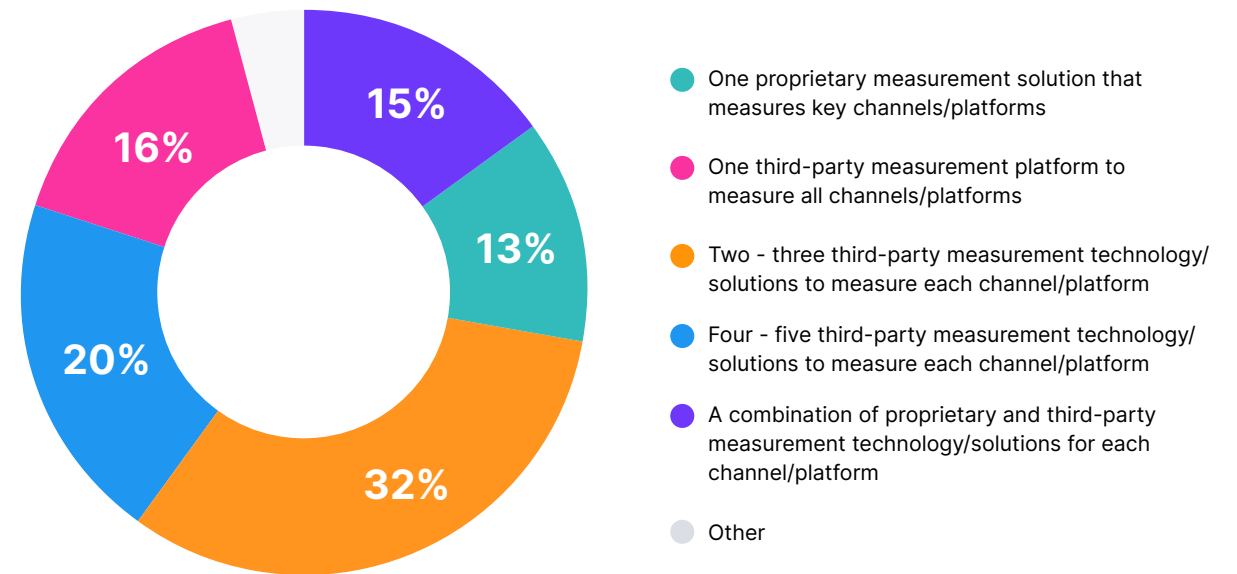
The job of any marketer is to identify the right audience and then engage with them. In an increasingly fragmented digital landscape, quality audience data is at a premium, especially as third-party cookies and mobile advertising IDs (MAIDs) become obsolete. And to that end, only 21% of marketers across EMEA strongly agree that they have the quality audience data they need to get the most out of their media budgets.

Channel-specific tools provide channel-specific measurement

The historically different methodologies for linear and digital measurement highlight the complexity in arriving at comparable, deduplicated metrics. Traditionally, marketers have used products that tell them whether someone viewed or clicked a digital ad or content—either online or in an email. This point-in-time approach is much different from traditional television measurement, which is more continuous in nature.

On average, 68% of marketers across EMEA use multiple measurement solutions to arrive at cross-media measurement, with 16% leveraging four to five. Comparatively, just 28% report using one platform for cross-measurement needs: 15% have their own proprietary solution, and 13% use a third-party tool.

Approaches used to achieve cross-media measurement

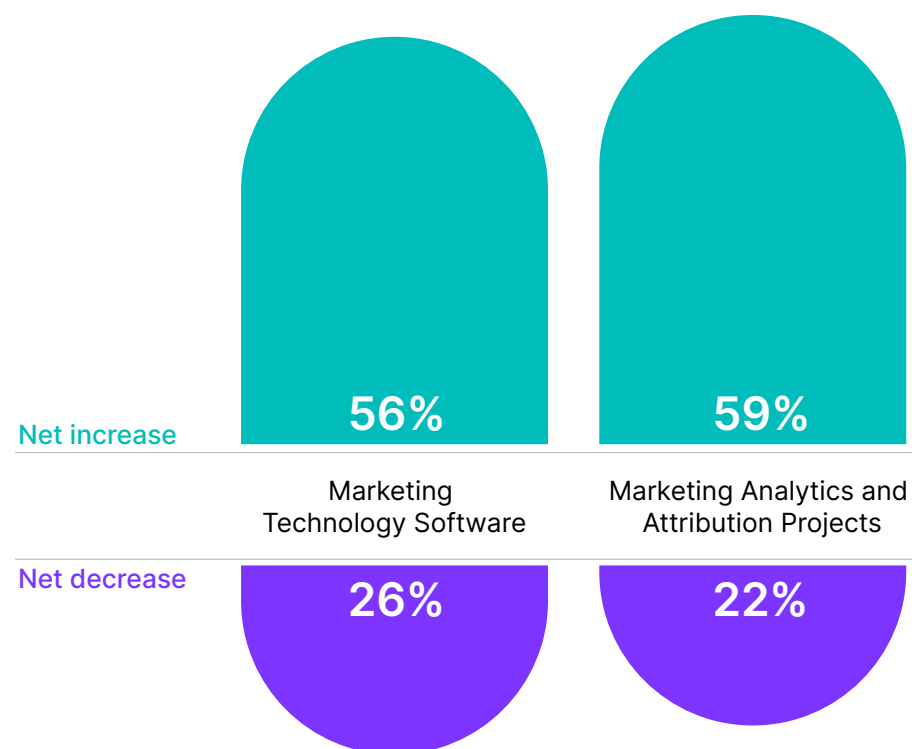


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Investment in martech is declining

In addition to using less of their martech in recent years, marketers report plans to pull back on additional investment in the year ahead. Despite expected increased ad budgets, 26% of marketers in EMEA, on average, plan to reduce their investment in martech to some degree, with 12% planning cuts of 150% or more.

Planned investment in marketing technology over the next 12 months

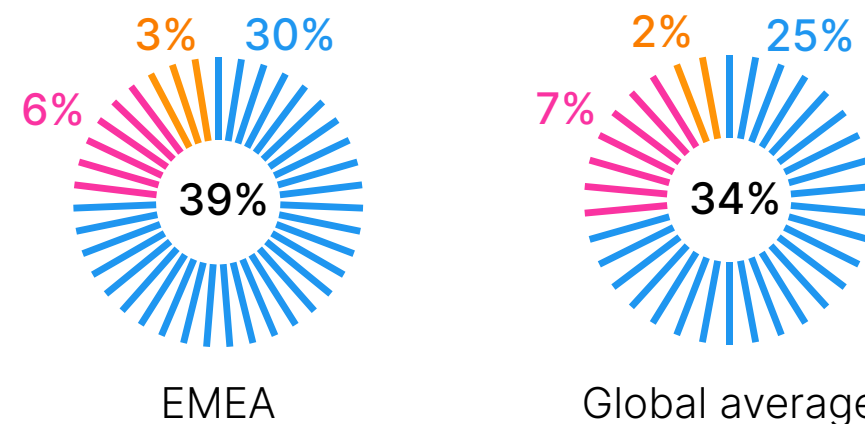


Planned channel investments transcend perceived effectiveness

Given the low confidence in channel-level and full-funnel ROI measurement, it's not surprising that marketers report only mild degrees of effectiveness across channels. Even so, the importance of comparable, person-level measurement isn't lost on marketers across EMEA, as, on average, 67% say comparability is extremely or very important in their cross-media measurement. Acknowledged importance aside, however, marketers across EMEA remain challenged to arrive at comparable, deduplicated measurement.

Confidence in current solutions delivering comparable, deduplicated cross-media measurement

● Somewhat confident ● Slightly confident ● Not confident ● Net: Lacking/no confidence



Audience data has always been critical in media planning, but digital connectivity and smart TV proliferation amplify the complexity associated with identifying audiences—and measuring their engagement—within a growing wealth of data. Complexity notwithstanding, media measurement will always depend on having an accurate, person-level view into the audiences engaging with media—no matter how fragmented the landscape becomes.



About Nielsen

Nielsen shapes the world's media and content as a global leader in audience measurement, data and analytics. Through our understanding of people and their behaviors across all channels and platforms, we empower our clients with independent and actionable intelligence so they can connect and engage with their audiences—now and into the future. Nielsen operates around the world in more than 55 countries. Learn more at www.nielsen.com and connect with us on social media (Twitter, LinkedIn, Facebook and Instagram).

