

2023



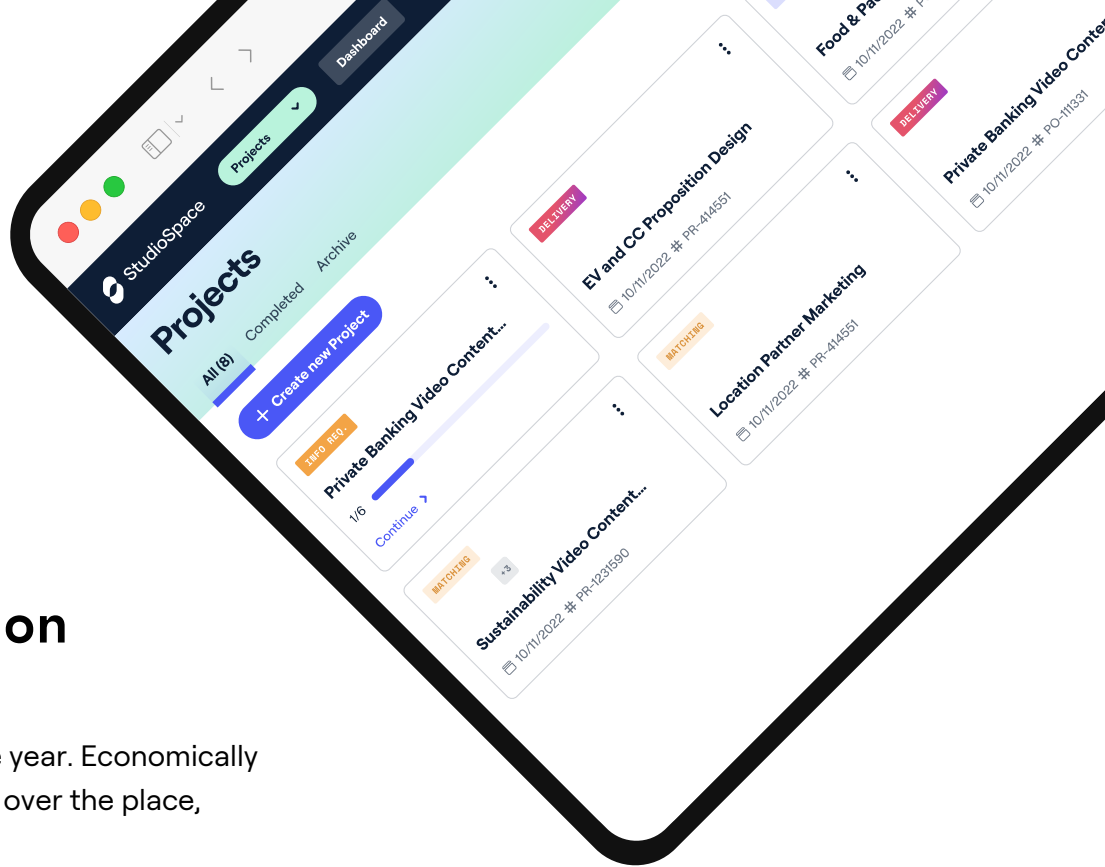
Lookback &

2024



Predictions





# Introduction

2023 has been quite the year. Economically and meteorologically all over the place, really.

But it's not been all doom and gloom: energy prices are finally falling, inflation is down, and it seems like next year we'll be able to feel positive about growth.

From a marketing perspective, it also seems like AI-fearmongering has begun to wane, and people are starting to recognise and investigate its benefits for our future – a marketing future that may seem uncertain, but exciting nonetheless.

An increasing number of global brands are using the StudioSpace platform to brief external agencies across the full spectrum of Marketing and Digital services. With hundreds of briefs running through the StudioSpace marketplace, we have a unique macro-level view of what's in-demand in marketing services, as well as a broad overview of the types of projects and campaigns that big brands are investing in.

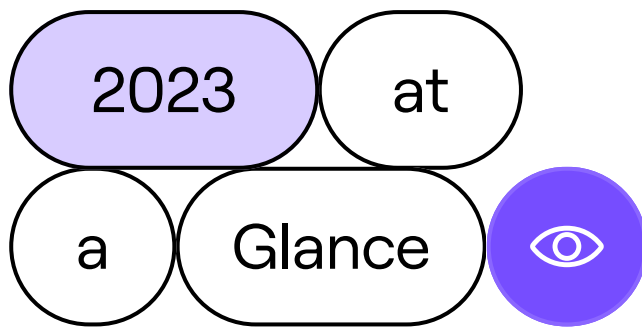
We'll be delving into this data in this report: sharing how marketers have spent their budget in 2023 and predicting how they'll be spending it in 2024.

**We've looked to three main sources to inform our viewpoint:**

- 1** We've collated a year's worth of data from the StudioSpace platform, taking into account all the conclusions from our monthly Marketer's Most Wanted reports\*.
- 2** We've spoken to founders of cutting-edge agencies, covering the most in-demand specialisms, to ask for their insights from 2023 and predictions of what will be hot in their area in the year ahead.
- 3** We've spoken to CMOs from brands across a multitude of sectors to understand how they are spending their budget and their strategies for getting the most 'bang for their buck'.

Without further ado, here are some of the year's main marketing highlights.

# StudioSpace Perspective:



Despite the budget pressures we've become accustomed to this year, brands are still spending on a number of external marketing capabilities:

Digital transformation continues unabated: businesses are keenly upgrading user experiences across a variety of platforms. Some are also investing in developing new products and services. StudioSpace examples of this cover a wide range of industries and geographies, including Jaguar Land Rover, Aviva, AquaPhoenix, Veezu, and Protective Life.

Reaching and acquiring new customers has also been a big theme this year and brands have been looking to external agencies for help when experimenting with new channels and platforms. Interestingly, these new customers are often part of a younger age demographic, something we'll go into discussion about later.

Fresh, creative thinking to help companies win against fierce competition is also in demand. We've found that a key reason for brands' investment into external creativity is largely to propel them forward. This fresh thinking doesn't necessarily need to be in your specific sector: "It's the skill set that it comes down to and I think that industry experience is not necessarily needed now," asserted Jo Lloyd – Customer and Propositions Director at AXA.

Perhaps the main takeaway we found from our insights was that it has never been harder to stand out against the competition. Tough economic conditions have hit every rung of the marketing ladder, and both brands and agencies alike are fighting for client/consumer attention.



# 2023's Most In-Demand Specialisms

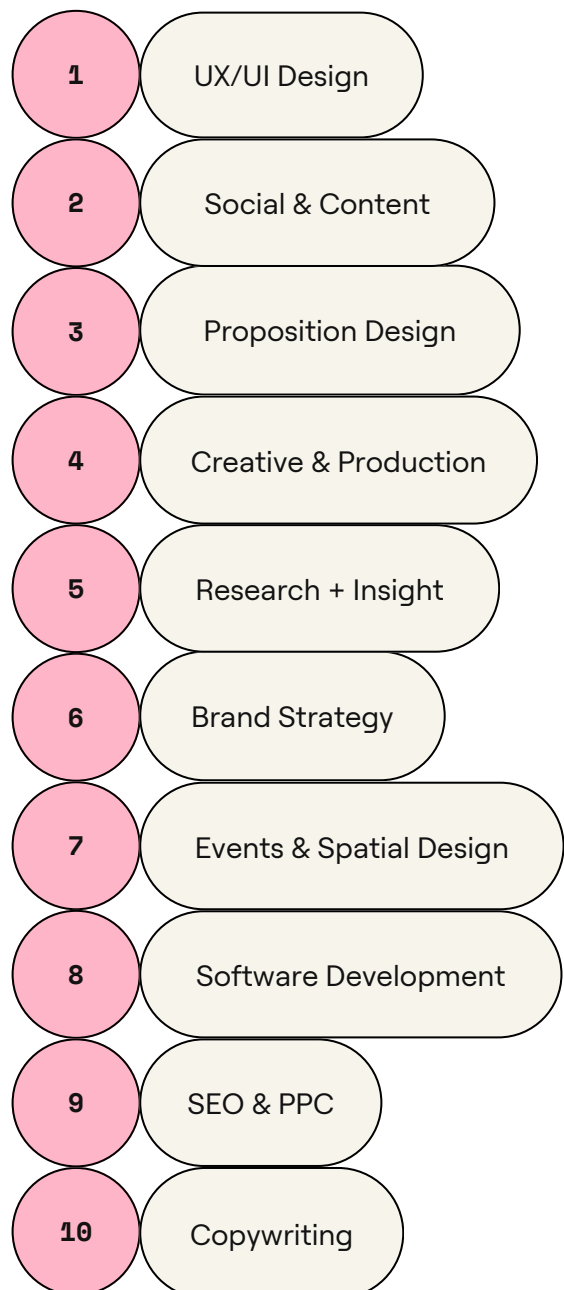
Our most in-demand specialist capability in 2023 was user experience / user interface (UX/UI) design, with the highest number of briefs this year (16%). Our recent Marketer's Most Wanted reports have shown a steady increase in the number of briefs looking for help with this type of work since September.

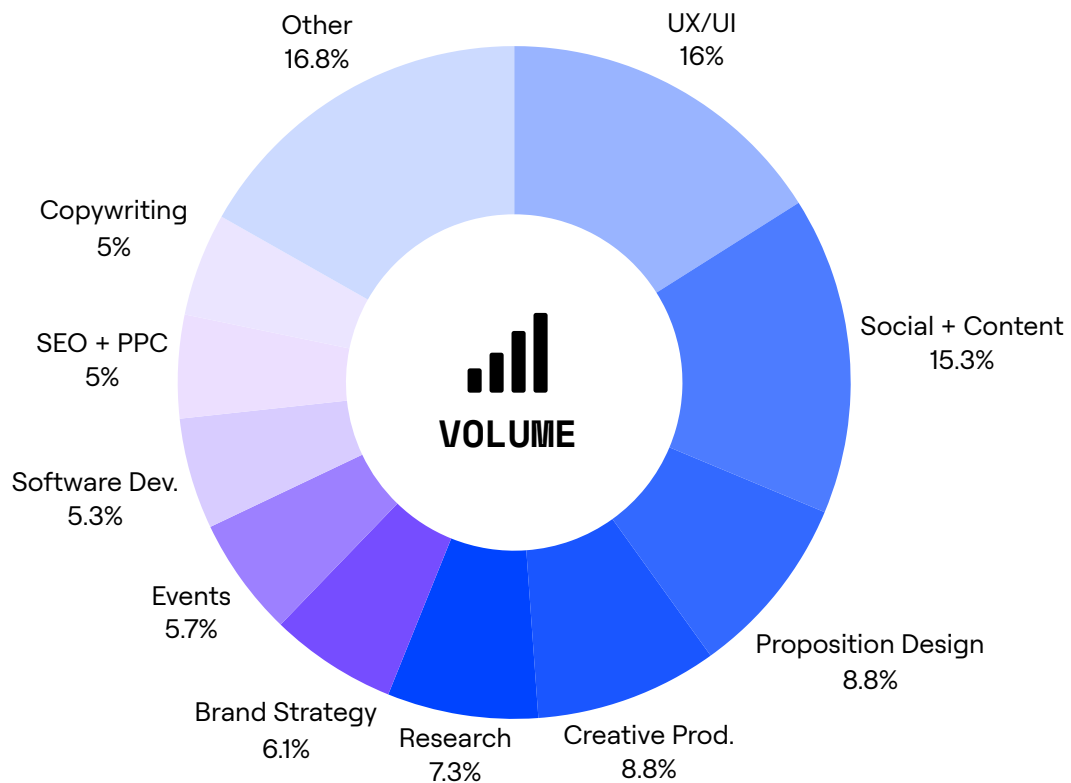
Its position in our top ten leaderboard has remained relatively constant, but an increase towards the end of the year is not surprising. It's clear that major brands are looking to enhance their digital experience and re-establish themselves in an increasingly tech-enabled world.

Looking externally for this sort of resource can give internal teams a much-needed boost. Our research shows that much of this transformation is driven by a move to Direct to Customer (D2C), and we're finding that brands enjoy the flexibility to up-weight or down-weight external UX/UI resources for critical delivery crunch-points.

At our recent StudioLive event, Luke Medlock, founder of The Bang, a leading boutique UX/UI Design House had this to say: "For me it's less about creating stand-out experiences but 'invisible confidence' through UX/UI design... have a user onboard and understand your product so they gain confidence in your solution and don't think twice about changing their behaviour."

As for our second most in-demand specialism, it'll be no surprise to those who have followed our reports over the year that Social and Content skills take the podium with 15.3% of briefs. This category has topped our monthly Marketer's Most Wanted report since June of this year – averaging at around 15% of total briefs each month since March – so naturally it performs highly in our annual data.





This consistent demand for Social and Content skills is likely the result of an increasingly influencer-oriented online culture. This, compounded by the rise of TikTok, has brands struggling to keep up with what's hot and what's not. Adam Biddle, founder of Gh05t, a leading independent social media agency, suggested that

“ you don't have to be Ryanair, but you have to find your style of doing TikTok because it's so different from the other platforms.

It's only natural, then, that brands are turning to external agencies for help with this digital rush: especially when this is relatively new territory for most. Non-traditional marketing campaigns require non-traditional approaches. We've seen amongst client briefs a desire for fresh thinking, especially from some of our younger agencies who really do specialise in Gen-Z tailored marketing. Original content that is both interesting and entertaining has proven to be a great way for brands to engage customers and build loyalty.

Our third most in-demand specialism is Proposition Design at 8.8%. Phil Reid, founder of Studiomade, represented the Prop Design category at our most recent StudioLive event. His belief was largely that a great (and successful) proposition must tell a story.

“ This is what will make your proposition relatable, persuasive and memorable. It's how you will stand out and create an emotional connection with people.

2023 really has been the year of storytelling, largely as a result of the abundance of sharing and media platforms that have become available to brands and consumers. But it is the emotional flair involved in storytelling, Reid affirms, that really sets apart more successful brands from the rest.

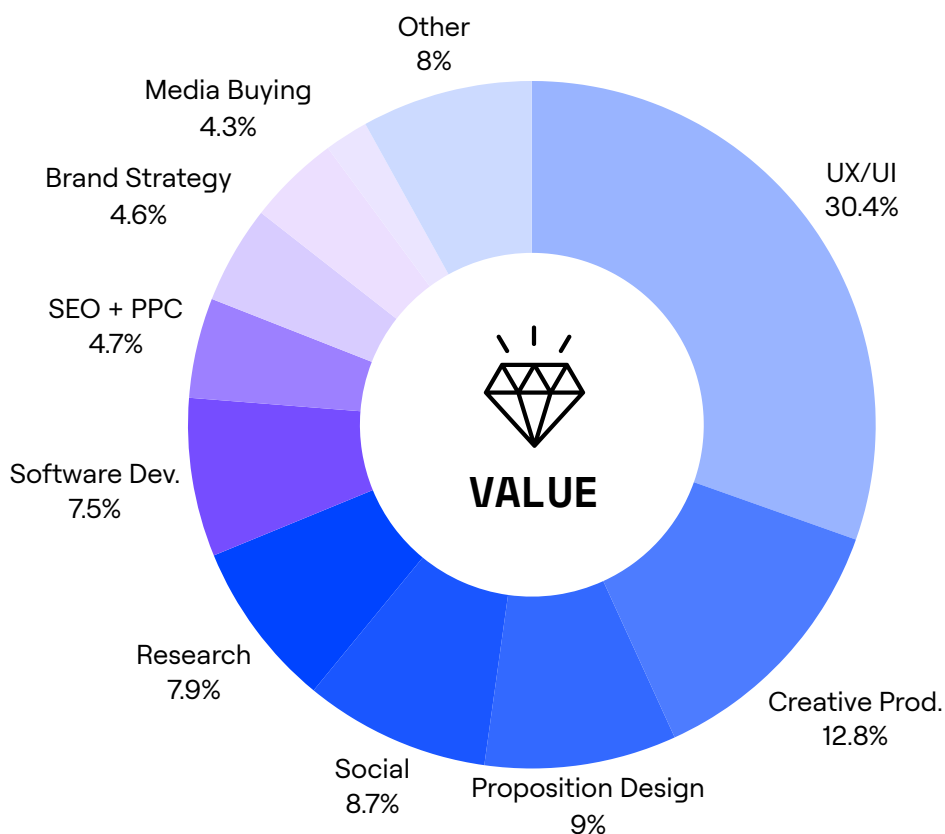
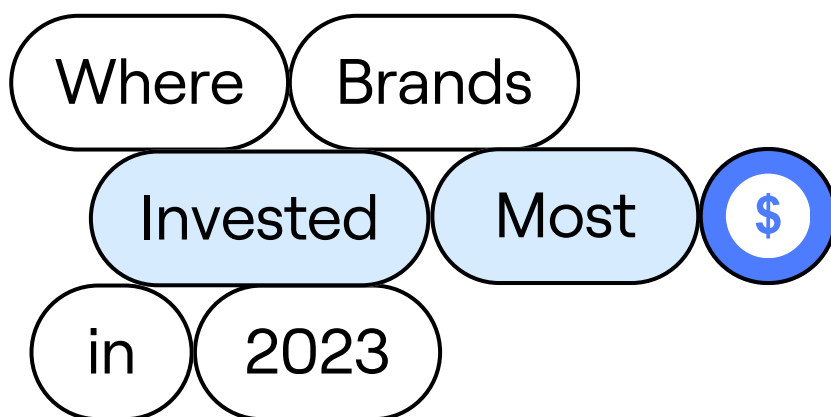
Other notable specialisms from this year's report include Creative and Production (8.8%), Research and Insight (7.3%) and Brand Strategy (6.1%).

Briefs looking for Brand Strategy skills have steadily increased since the summer as businesses look to change their positioning for the new year. For similar reasons, Copywriting briefs have also been on the rise (5% of 2023 briefs). New strategies and campaigns require new tones of voice and great writing, and we've found many brands looking for external help with this.

Research and Insight is a specialism that has been growing in demand over the last few months, with a focus on testing and validating new territories.

We heard more about this from our conversations with CMOs including at our StudioLive event in October, where discussions about maximising your marketing budget urged for increased spending on testing strategies and products before releasing them spontaneously.

Jo Lloyd demanded that we "always carve a bit out of our budget for that test and learn," even if there is no ROI generated. "You'll get so much more value back in terms of what you've learned, what has failed, and what you can then build upon," she added.



We've said it once, but we'll say it again. This year has been economically challenging, and as a result it's been particularly interesting to see where brands are allocating their marketing budgets, and what they're choosing to invest in.

In this category, UX/UI design absolutely dominated – representing a staggering 30.4% of investment value, compared to runner up Creative and Production, which represented 12.8% of total.

We believe that this figure has been driven by brands being unable to recruit enough brilliant design talent internally, resulting in their looking for flexible, integrated resource from agencies, enabling them to scale up and down with demand. We've seen similar models adopted in Software Development (7.5%).

Pamela Conway, speaking at our StudioLive October event, mentioned that

**“ thinking specifically about the skill you need, rather than the type of media or the direct outcome of the project can often help ensure you're hiring the right agency for the job.**

With a skill like UX/UI design, brands have historically preferred to reach outwards to agencies with strong credentials and experience in this area.

Brands are continuing to invest in top agencies for their creativity, and there's a real mix of campaigns in this area, ranging from small specific initiatives to bigger branding campaigns. This has been an area where we've had multiple agencies working together to create some amazing creative work across multiple channels.

At StudioLive November, Dominic Slade – co-founder of The Builders Arms and representing our Creative and Production agency category – noted that it was important to ask “how can we keep our message on point when the social media landscape is so fragmented?”

His answer to this concern was to “adopt an ideas-first approach to marketing” and to “prioritise emotionally-driven ideas”.

Andrew Fox of Aviva, speaking at our StudioLive October event, suggested that brands should “implant agency resource to build up capability within [internal] teams, particularly on content creation,” adding that

**“ a balance between internal and external resource can bridge the gap between platforms, enabling those with platform-specific specialisms to excel in this area, diversifying talent and allowing for the best work to be completed on each channel.**

Our StudioLive October event focused directly on maximising marketing budgets, and we heard some excellent advice from our panellists on this topic, especially when it comes to procurement and investing externally. As mentioned above, harbouring a carefully-crafted balance between internal and external teams is key.

An interesting feature of the investment report which is certainly worth mentioning is the entry from Media Buying – it only just managed to scrape into our top 10, indicating that traditional media remains under pressure. It's worth noting that some media spend is spread across into other categories including Creative and Production and Social and Content. The StudioSpace platform is also representative of the independent agency sector, and many brands still manage their media budgets via large holding companies.

# Inside the Briefs of the Biggest Brands

So far we've given you an idea of where brands have been investing externally this year. It follows naturally that you'll be curious about what's inside the briefs that they've been submitting.

We've pulled together some of the most popular business challenges we've seen this year on the StudioSpace platform, and they definitely vary. Examples include:

- 1 How can we use TikTok to reach new audiences in a compliant way?
- 2 How can we effectively and efficiently create and execute a new marketing campaign?
- 3 We're struggling to recruit designers/software engineers – can you bolster our internal capability?
- 4 We need to significantly improve our search performance.
- 5 We need to bring to life our thinking for our senior stakeholders?
- 6 We need to engage and acquire a whole new segment of customers?
- 7 Help us create a stand-out event experience?

The screenshot shows a web interface titled "Your Project" with a sub-header "Target Market". Below the sub-header is the question "Which target market is your project for?". There are three radio button options: "Business-to-Consumer", "Business-to-Business", and "Internal". The "Business-to-Consumer" option is selected. At the bottom of the form are two buttons: "Go back" and "Next step".

The screenshot shows a web interface titled "Your Project" with a sub-header "Outcomes & Deliverables". Below the sub-header is the question "what do you want to get out of this project?". There are two text input fields labeled "Deliverable 1" and "Deliverable 2". Below these fields is a button with a plus icon and the text "Add additional deliverable". At the bottom of the form are two buttons: "Go back" and "Next step".

As you can see, there is a real breadth in business challenge. Our briefing requests also span from insight, to the more strategic projects to longtail campaigns to marketing execution.



# StudioSpace's

2024



## Predictions

Collating all the data for 2023 has benefits of its own. We can see how investment changed with the seasons and reflect on what sorts of projects and campaigns have been popular over the past 12 months.

But the real reason for this collation is to be able to predict marketing trends for 2024 so that we (and you) can prepare effectively!

Here's what we're expecting based on what we are hearing and seeing in the market at the moment.

1

## AI

There's really no surprise here, but we expect this trend to continue booming in 2024, with big brands exploring different use cases across their organisations. We delved into the uses of Gen AI in our September StudioLive event, and we have since seen a growing number of agencies on our platform specialising specifically in AI. Luke Medlock of The Bang – a UX/UI design focused agency – reassured us that “AI will not replace designers, but it will help unleash their creativity.” After all, it is what designers are able to plug into the AI platform that really drives the exceptional work.

“Design is an emotional skill: we're designing for emotional people and we're designing to create emotion between business and users,” Medlock added. We're excited to see how AI will be utilised laterally across agency specialisms to help enhance their work.

2

## Seamless CX

At the moment, organisational focus seems to be on creating frictionless experiences across multiple channels. Brands continued to invest in digital transformation this year, and products and services have moved on leaps and bounds, but they've often been built in isolation.

Now businesses are starting to take a look at how they can bring it all together. As an example, in retail brands are looking to create a complimentary online and offline experience. Dominic Slade, of The Builders Arms affirmed that finding an “emotionally-driven idea” is the best way to keep a brand message on point, especially when “the media landscape is so fragmented.” We agree with this: consumers are emotional beings, and marketing directly to them should be oriented as such.

3

## Personalisation

Consumer expectations are extremely high and people love the idea of something being ‘just for them’ (we're not just talking about socks with your initials on). The amount of data available at the moment – combined with advances in artificial intelligence – can facilitate hyper-personalised experiences and communications and we predict that this is likely to continue. Enhanced personalisation as a theme for the next year was referenced by almost all of our StudioLive panelists, although ironically this may become intertwined with an increasingly standardised use of AI. As AI tools become smarter, their ability to “predict” design needs and user requests will likely mean that individual experience with a brand or online platform will become even more personalised, with a more “human touch”. Food for thought!

4

## New Audiences

We shared earlier that there has been an increasingly growing shift towards attracting a younger demographic of consumers (whether present or future), and for a while this was all about Gen Z. We're now hearing brands talk about Gen Alpha, who behave in an entirely different way. Although the oldest of this group are 13/14 years old, savvy brands are already thinking about how they can influence their future customer base.

5

## Inclusivity

2023 has seen a huge focus on inclusivity, particularly in the communications space. For example, there have been some really interesting brand campaigns for Pride, but also campaigns for making financial services, or legal advice more accessible. It's a careful balance, as we know with the pushback on rainbow-washing amongst others, but what's interesting is that brands are starting to see opportunities to level the playing field and be a force for social good.

It's also worth mentioning that this is not necessarily all brand-driven: consumers are actively looking to collaborate with and purchase from companies whose beliefs align with their own. A brand holding similar values to their customers, will likely hold onto those customers much longer.

6

## TikTok

We've seen lots of more traditional brands embrace the platform this year and we're expecting investment to continue.

Our CEO Pete Sayburn noted in our June's Most Wanted report that TikTok is

“a really rapidly evolving area, so it's a battle to stay current and on top of things. Major brands are struggling to attract and recruit top social media talent into their businesses on a permanent basis.

Many CMOs are currently changing their social media and content strategies as they want to ensure they are on the right side of influencers.

Social media can be a tricky place to navigate as a marketer, and the diversity of TikTok can certainly add to that pressure, but it doesn't have to be simply about building the biggest account on the platform.

Adam Biddle, CEO of renowned social media agency GH05T reassured us at StudioLive that there are a multitude of methods of driving sales via social media (and TikTok especially), and that to start with we need to begin ignoring our obsession with follower-counts.

“If you are chasing followers [as a brand], you are chasing the wrong KPI,” he asserted. Instead, brands should be splitting their budgets between content (25%) and advertising that content (75%).

It's interesting to note that originally TikTok was seen as an educational or ‘top of the funnel’ channel, but it's starting to be the end of the journey for e-commerce, with brands having the option to sell directly through this platform, so watch this space!

## Summary

2023 has been a challenging year economically, but big brands are continuing to invest healthily in external agencies.

Internal teams, looking for smart ways to maximise their marketing spend, are investing in external support to complement their in-house capabilities.

The largest categories of growth on the StudioSpace platform include UX/UI design and Social and Content – which dominate in terms of numbers of total briefs.

Although most brands have in-house UX/UI designers, we are seeing that the demand for this specialism is outstripping supply, meaning that brands are increasingly employing flexible resourcing models using external agencies to supplement internal capability.

The growth in demand for Social Media support is driven by the need for a huge volume of quality content. Brands are also relying on external support to master new channels like TikTok.

Creative and Production and Proposition Design are also areas of continued investment as brands seek fresh external thinking to help them propel their brands, products and digital experiences to compete in a market that is constantly changing and evolving.

Looking forward to 2024, we're predicting a continued investment in these categories to support brands to achieve growth, including help to harness new technologies to elevate their brands above the competition.

## Updates



We'll continue to report on where big brands are investing their external spend with our monthly Marketers Most Wanted report.

