

# Martech: 2018 and beyond

## Insights into the UK and US markets - Report summary

MOORE STEPHENS

WARC

### #1

**Brands are spending 16% of their marketing budgets on marketing technology.**

The marketing technology (martech) industry has seen rapid growth in recent years. Driven by a wealth of consumer data and the fast-paced, real-time nature of marketing and consumer purchase decision-making, martech tools have been developed to help marketers optimise and automate the delivery of marketing messages at scale.

We asked brands for their marketing budgets and the proportion of the latter spent on martech. On average, 16% of budgets are spent on martech (18% in the UK and 14% in the US). This is more likely to be outsourced spend than in-house.

### #2

**The martech market could be worth more than \$34bn.**

We aimed to produce an estimation of the current market size for martech and the results have confirmed the burgeoning market; brands are planning for increased use over the next 12 months, and 50% don't have all the tools they need. Using martech spend data from the survey, and WARC adspend data, we have calculated that, if our sample is representative, the UK and North American martech market could be worth up to \$34.3bn this year.

This figure is reflective of a market that has seen huge growth in terms of the number of vendors and M&A activity over the past few years. In 2011, chiefmartec.com listed around 150 companies in the space. Fast-forward to 2017 and it is a labyrinth of almost 5,000 companies offering myriad services to help marketers meet their goals and objectives.

### #3

**Brands expect martech budgets to rise by 10% over the next 12 months.**

Going forward, this research highlights the opportunity for growth in the sector, if brands can secure the necessary investment and organisational change required. More than 40% of respondents expect their martech budgets to increase over the next year, by an average of 10%. This means that martech spend could reach to more than \$43bn by the end of 2018.

Set to see the biggest growth this year in terms of martech use is experience optimisation. Almost a third of brands plan to use a tool to assist them in this discipline in the next twelve months, and it is a key priority for the majority of respondents.

### #4

**50% of brands don't have all the martech tools they need.**

The opportunity presented by martech for vendors and agencies is large; half of brands and 58% of agencies don't think they (or their clients) have the tools they need. Over the next year, brands are most likely to begin using experience optimisation, collaboration and marketing automation tools.

Particularly of focus is the skillset associated with user experience. Though the majority of marketers feel they have the internal skills and talent they need to capitalise on martech investment, they have also seen an increased need for skills associated with martech use, and customer experience skills are at the top of their list of priorities.

The full report is available to WARC clients. To access that, log in and visit: [warc.com/martech2018fullreport](http://warc.com/martech2018fullreport)

If you're not a WARC client but want to find out how you can get access to the report, please contact us: [warc.com/demo](http://warc.com/demo)



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### Recommended reading:

Toolkit 2017

The Future of Strategy

Lessons from the WARC 100

### About WARC

WARC.com is an online service offering advertising best practice, evidence and insights from the world's leading brands. WARC helps clients grow their businesses by using proven approaches to maximise advertising effectiveness.

WARC's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

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