2024 Annual Marketing Report

Maximizing ROI in a fragmented media world

EMEA

Highlights Report

Nielsen

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In 2023, the world braced for a recession. One never fully materialized, but that didn't stop budgets getting slashed and layoffs en masse across nearly every sector. While this year seems poised for more of the same, global marketers are staying optimistic.

Many are leaning hard into digital platforms to help them deliver quantifiable results for their businesses. These channels are made all the more appealing with programmatic-style, automated ad buying based on audiences that can be measured, and often optimized, in real time. But, a healthy media mix is a balanced one. And striking the right balance requires a cross-media approach, continuous tailoring and measuring across the full marketing funnel.

This year's edition of the Nielsen Annual Marketing Report explores how global marketers are allocating budgets and measuring success—all with an eye on proving and improving the ROI of their efforts. In this special edition, we dive into the plans of marketers in Europe, the Middle East and Africa (EMEA). While this reflects a diverse collection of markets of varying sizes and sophistication, it's still insightful to look at the region as a whole. By studying their priorities and plans, we've developed recommendations to sharpen your own ROI strategies for 2024 and beyond.

Based on findings from our global marketer survey, we identified four consistent themes.

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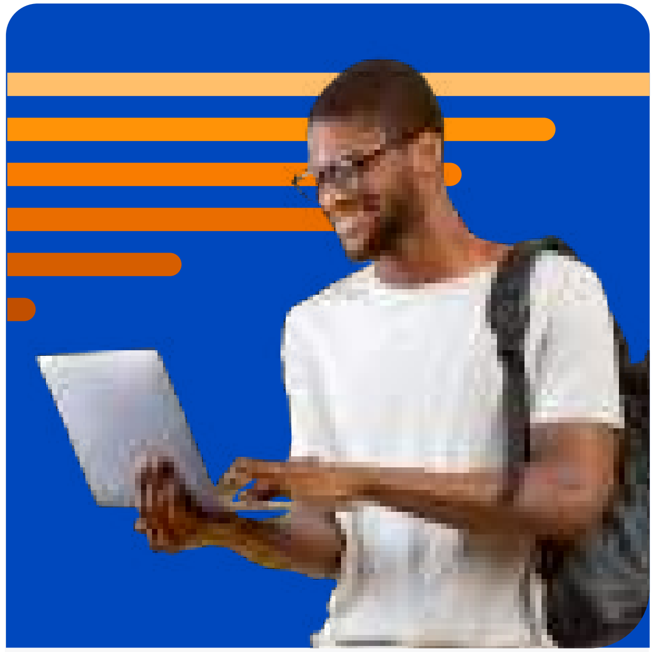

1 Spending optimism is up

Despite inflation, slowed consumer spending and supply chain uncertainties, 62% of EMEA marketers expect bigger ad budgets this year—below the global average of 72%.

2 Marketing tactics and KPIs are misaligned globally

EMEA marketers' top objective is revenue growth, and 63% of EMEA marketers plan to prioritize performance marketing over brand-building initiatives. However, this is below the global average (70%) and considerably down from last year (75%), potentially indicating an understanding that performance marketing on its own does not always deliver long-term, sustainable returns.

3 Digital dominance may hurt holistic returns

With 63% of media budgets going toward digital channels, EMEA marketers may not be able to achieve the holistic returns they're looking for.

4 Measurement confidence is high, but incomplete

79% of EMEA marketers say they're either extremely or very confident in their ROI measurement capabilities. But only 37% say they evaluate the holistic ROI of their marketing efforts by measuring traditional and digital marketing together.

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1 Spending optimism

Ad spend is up and earmarked for ‘effective’ channels

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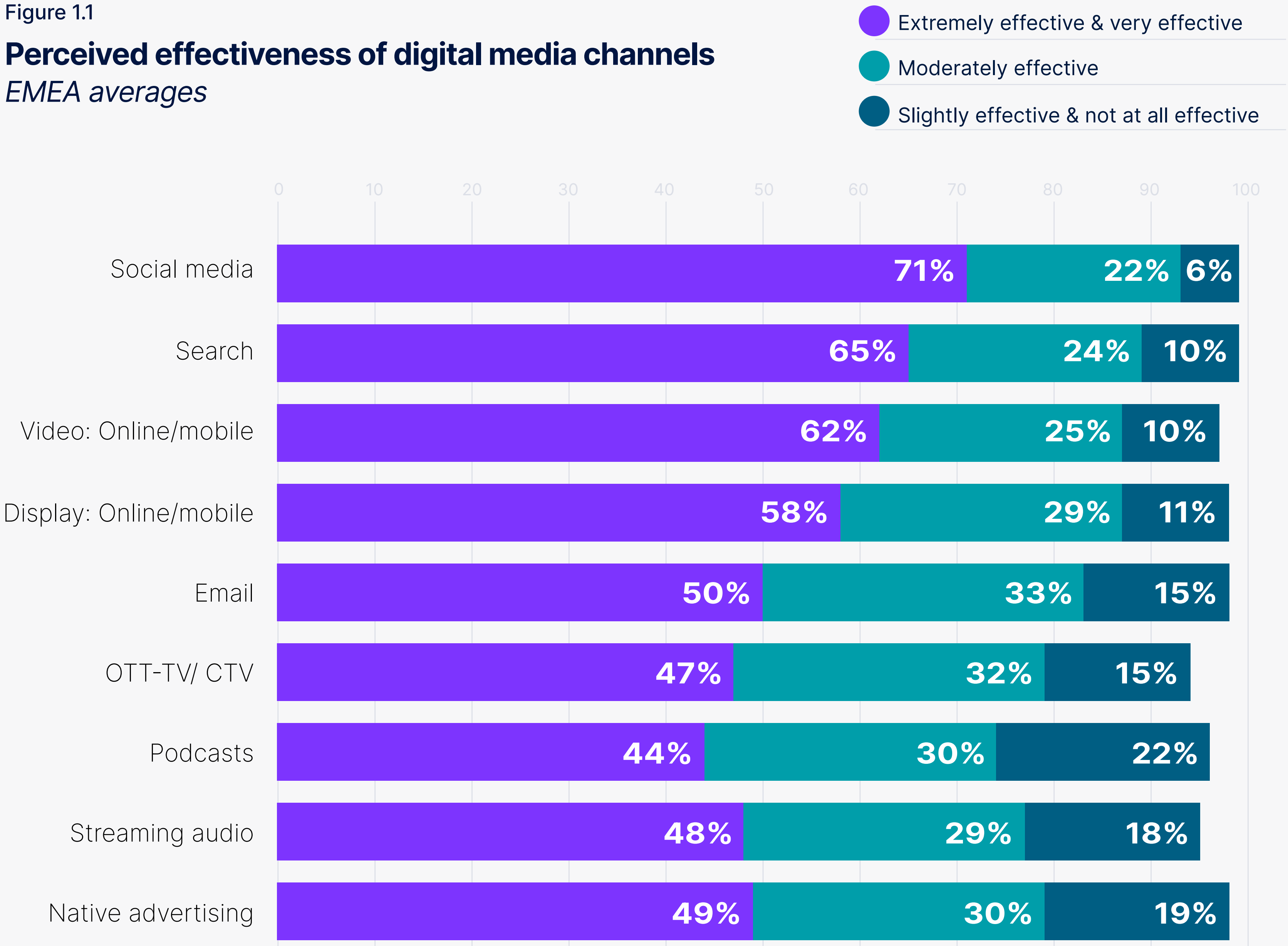
Delivering ROI has always been a top priority for marketers. While returns don't always equate to sales figures on a spreadsheet, the unsettled nature of the global economy over the past few years has forced marketers to focus on revenue more than any other KPI.

This year, however, marketers appear optimistic: 62% of marketers in EMEA expect bigger ad budgets this year—compared with the global average of 72%—and they remain committed to increasing their spending across select digital channels, attributing the continuing shift to higher perceived effectiveness.

Figure 1.1

Perceived effectiveness of digital media channels

EMEA averages



Read as: 71% of EMEA marketers view social media as extremely/very effective.| Percentages may not sum to 100% because the chart does not include responses for "not applicable". | Source: 2024 Nielsen Global Annual Marketer Survey

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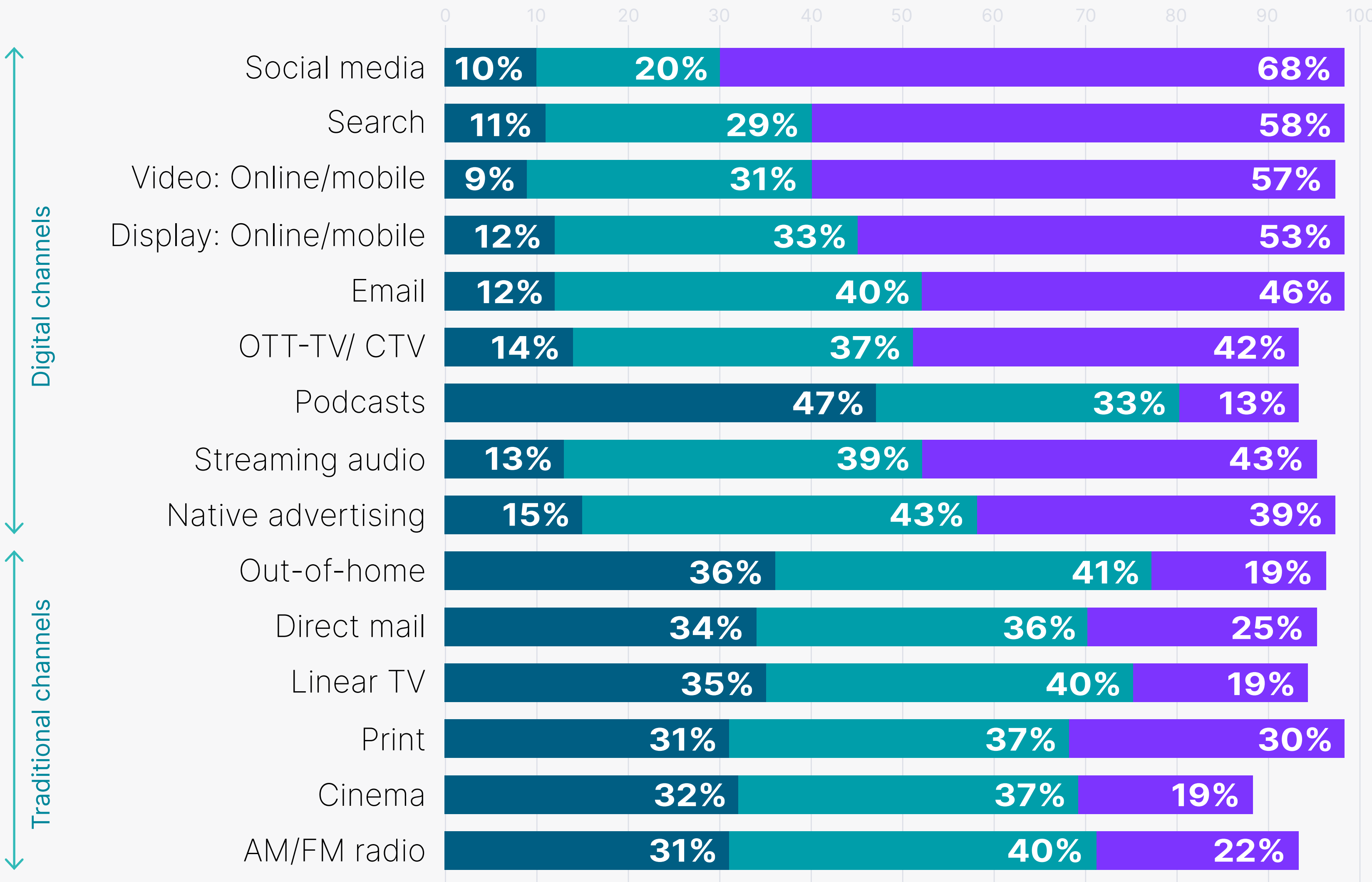
On average, EMEA marketers plan to dedicate 63% of their budgets to digital channels and 36% to traditional channels, with social media, search, digital video and digital display accounting for the largest increases. All of which mirrors what we're seeing globally.

Figure 1.2

Expected budget change in the next 12 months

EMEA averages



Read as: 68% of EMEA marketers plan to increase their spending across social media channels.
Percentages may not sum to 100% because the chart does not include responses for "not applicable".
Source: 2024 Nielsen Global Annual Marketer Survey

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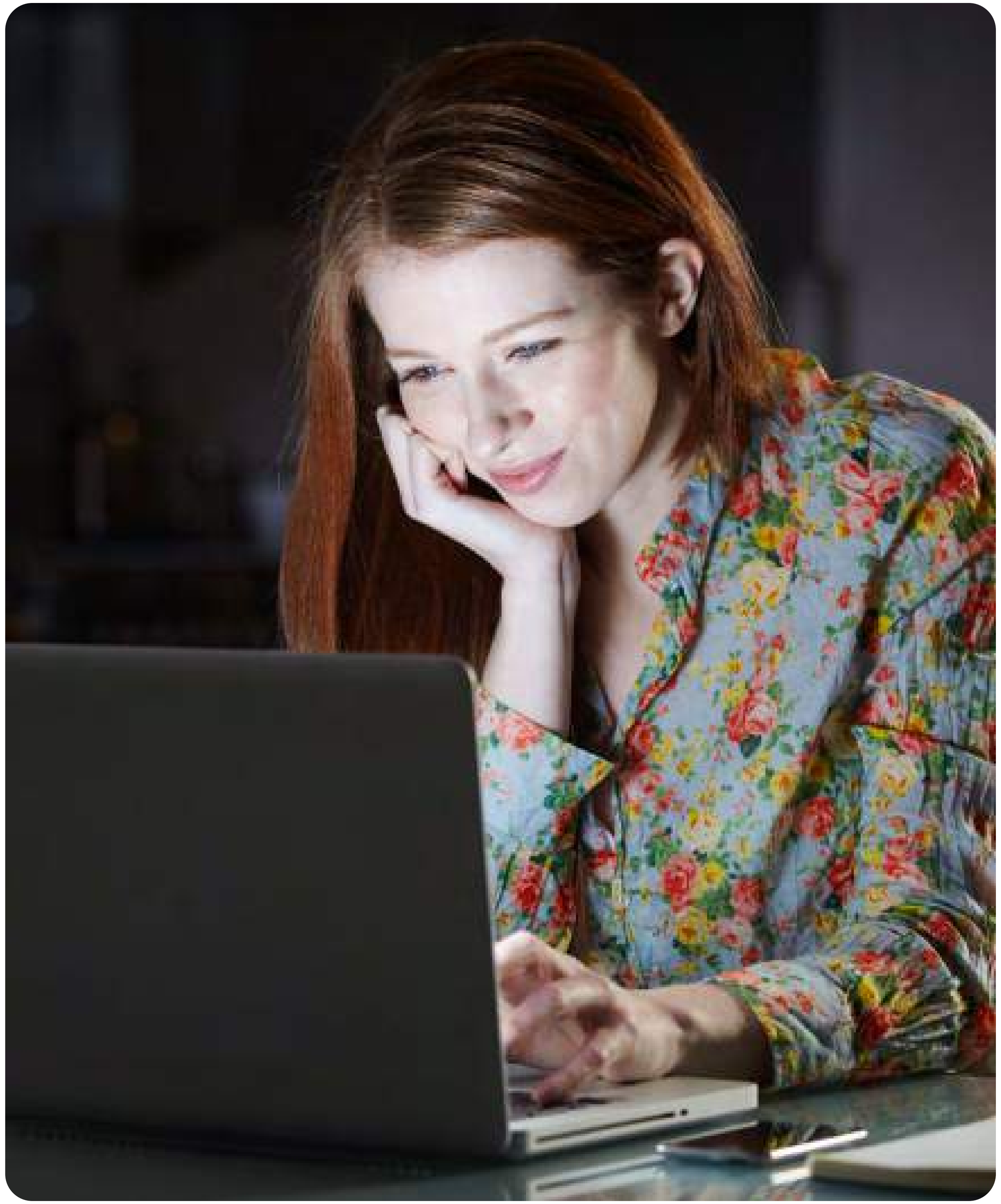
How social media and search spending measures up

The allure of digital media has clear merit. But in looking at marketers' top objectives for the year Nielsen's outcomes data should give pause to some of marketers' planned media allocations.

Social media, for example, continues to garner the biggest marketing increases among global marketers. Over the past three years, the average ROI of social media spending has been 36% higher than the average ROI across all media. Our brand impact data also illustrates that 75% of people who are exposed to social media ads say the ads made them more likely to purchase, use or consider the brand.

So, at a high level, the shift in spending makes sense. However, results vary significantly across brands. The top 25% of brands from an ROI-generation perspective are 6x more successful than the bottom 25%. Comparatively, the average ROI of search, which is the second-most favored channel among marketers, has been 51% lower than the average ROI across all media over the past three years.



ROI benchmarks aren't brand-level blueprints

Brand variability is very important when considering ROI averages. That's because absolute ROI will include brand-level factors that aggregations will mute, including industry, market, advertising budget and company size.

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The takeaway

Marketers continue to dedicate more of their budgets to digital channels because of their perceived effectiveness. But what's effective for one brand might not work as well for another. This highlights the importance of investing in standardised econometric measurement of all channels so that comparisons can be made and better decisions on budget allocation taken.

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2 Marketing misalignment

Long-term goals need a long-term focus

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Marketers' top objective of revenue growth is a clear reflection of the recession fears that loomed large in 2023.

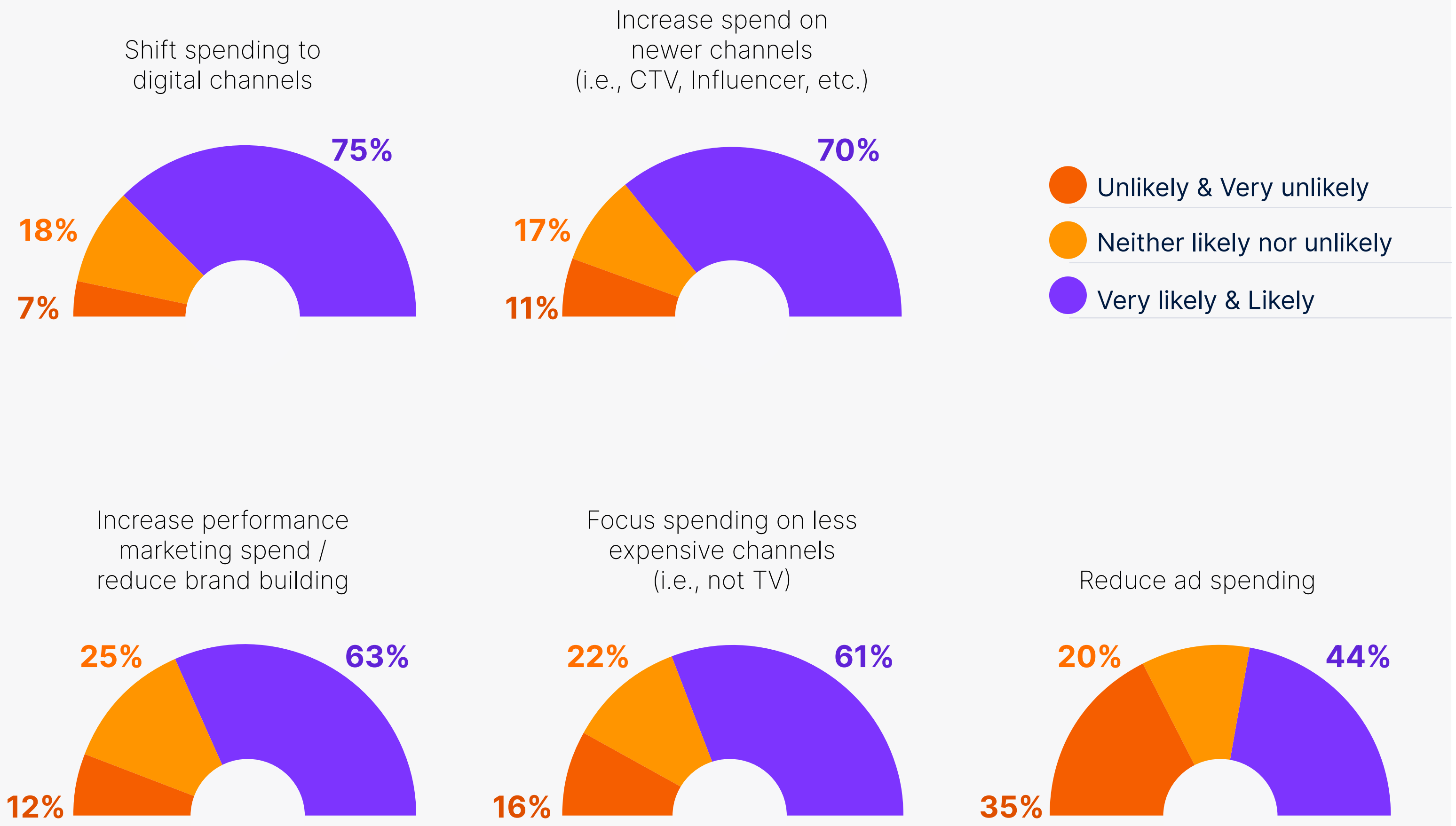
Economic uncertainty notwithstanding, marketers' stated objectives and strategies highlight a notable disconnect from their desired KPIs. From a planning perspective, EMEA marketers' most important KPIs are viewability and both long-term and full-funnel ROI. But a shift toward digital channels and performance marketing won't fully support these goals.

While common when times are tight, a move away from brand building will inherently hinder the ability to drive long-term ROI. Our research has found that it takes three to five years of solid and consistent brand-building effort to recover from extended periods of not advertising. The planned reductions in spending across traditional, mass-reach channels like TV and radio are similarly reflective of this shift.

Figure 2.1

Planned marketing tactics for 2024

EMEA averages



Read as: 75% of EMEA marketers plan to shift their spending to digital channels. | Percentages may not sum to 100% because the chart does not include responses for "not applicable".
Source: 2024 Nielsen Global Annual Marketer Survey

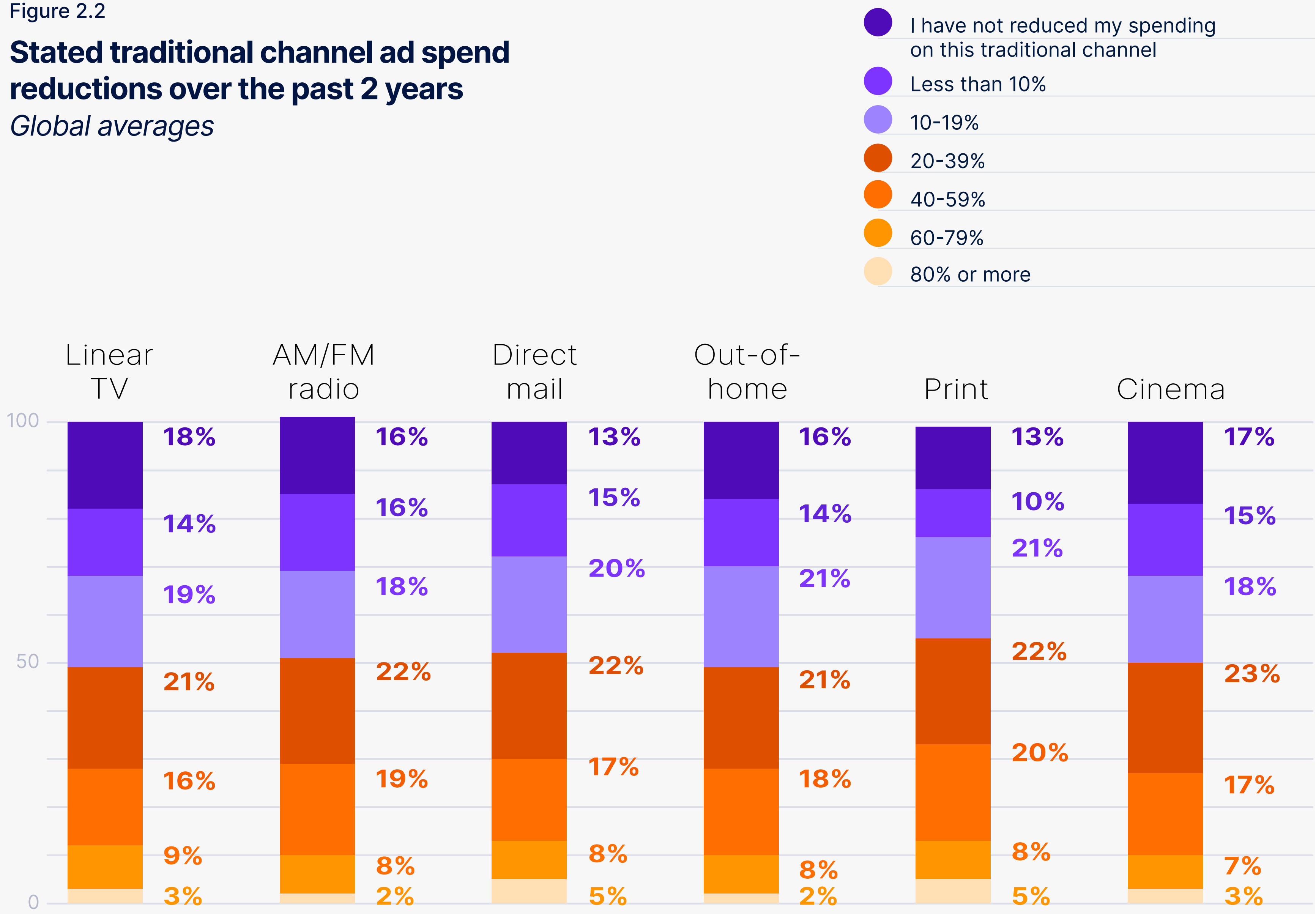
Committing to spending for advertising can be difficult—even for massive multinationals. We saw this firsthand when global brands like Coca-Cola, General Motors and Netflix hit the brakes on their brand building efforts after the COVID-19 pandemic arrived in early 2020.

Those types of decisions can be costly, as Nielsen Compass data shows that a brand loses an average of 2% of future revenue for every quarter it stops advertising.

Figure 2.2

Stated traditional channel ad spend reductions over the past 2 years

Global averages



Read as: 21% of EMEA marketers have reduced their linear TV spending by 40%-59% over the past two years.
Percentages may not sum to 100% because the chart does not include responses for "not applicable".
Source: 2024 Nielsen Global Annual Marketer Survey

Brand building is critical for long-term ROI

In addition to helping stay top-of-mind with consumers, always-on upper-funnel marketing is critical when marketers are focused on long-term and full-funnel ROI. The importance can't be understated, as Nielsen research has found that ongoing marketing efforts account for 10%-35% of a brand's equity. And the ROI norms database in Nielsen Compass highlights how the long-term impact of media can even double the impact of media spend, particularly for channels like TV and digital video.

Brand building does more than just seed long-term sales. It also moderates the cost of new customer acquisition. That's because short-term marketing strategies trade future sales for near-term sales that are actually more costly to obtain.

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The takeaway

There is monetary truth to the saying, “out of sight, out of mind.” If you let your brand decay, future sales tend to decline at a 1:1 ratio. This is the kind of ROI-minded intel you need when presenting plans to those who have ultimate say in budgets. And when advocating for a full-funnel approach, some impact may be hiding in plain sight.

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3 Media balance

ROI starts with reach

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You can't engage with audiences you never reach. Compared with less fragmented times, however, reaching audiences today requires a much deeper understanding of how they engage with media, especially across digital channels.

By looking at the nuances of each channel—in the context of how audiences actually engage with them—you're able to understand how they work together to achieve holistic campaign goals.

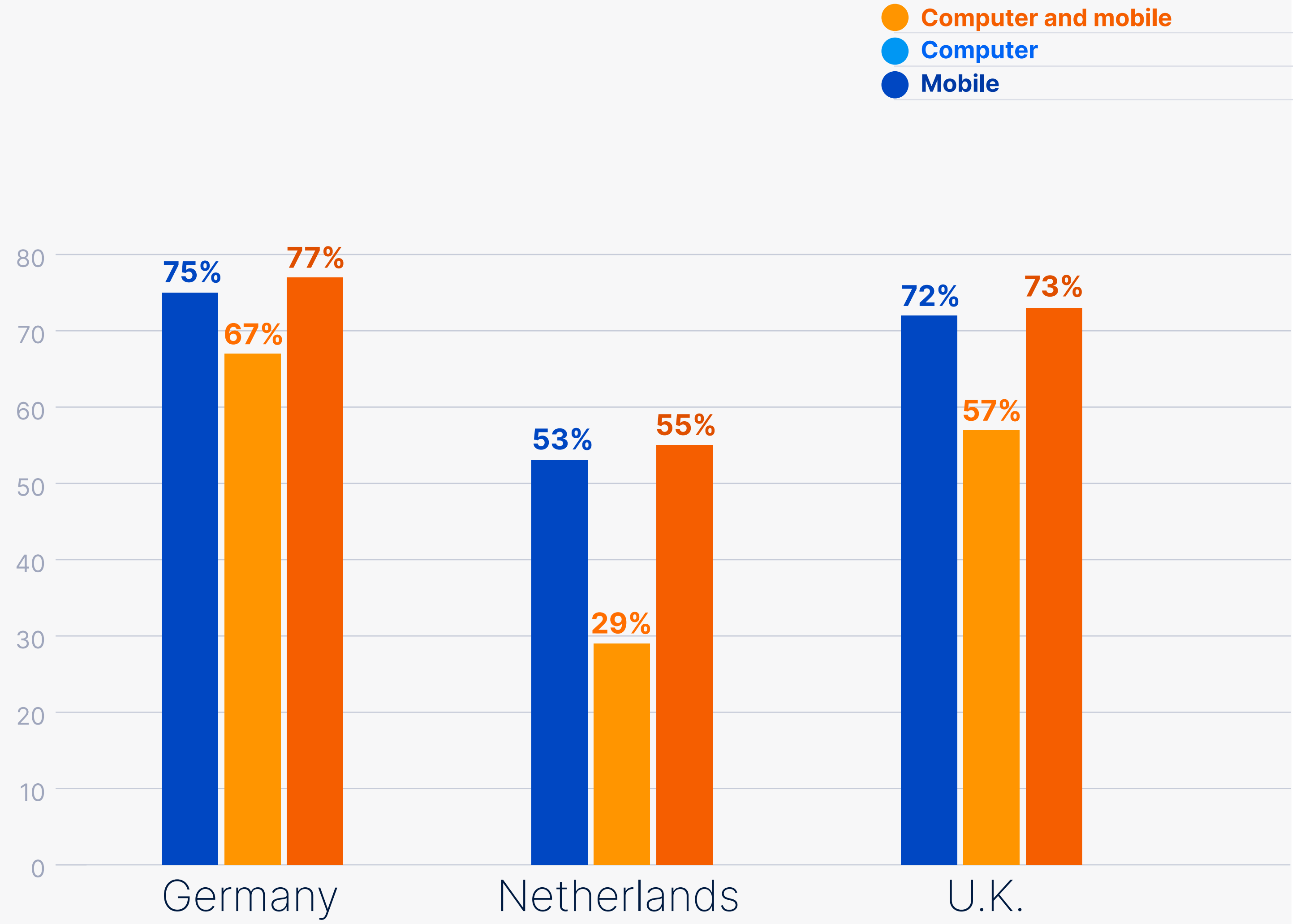
On-target reach for digital ads is inconsistent across Europe

The complexity of today's media landscape is on full display in Nielsen's 2023 Digital Ad Measurement Benchmark data, especially in Europe, where average on-target rates vary considerably. For example, see how distinct the average on-target rates are across Germany, the Netherlands and U.K.

Figure 3.1

2023 Digital ad measurement benchmark data

Average on-target rates by country



Averages include benchmarks for all impressions served through open web methodology and walled garden integrations. | Sources: Nielsen ONE Ads; Digital Ad Ratings

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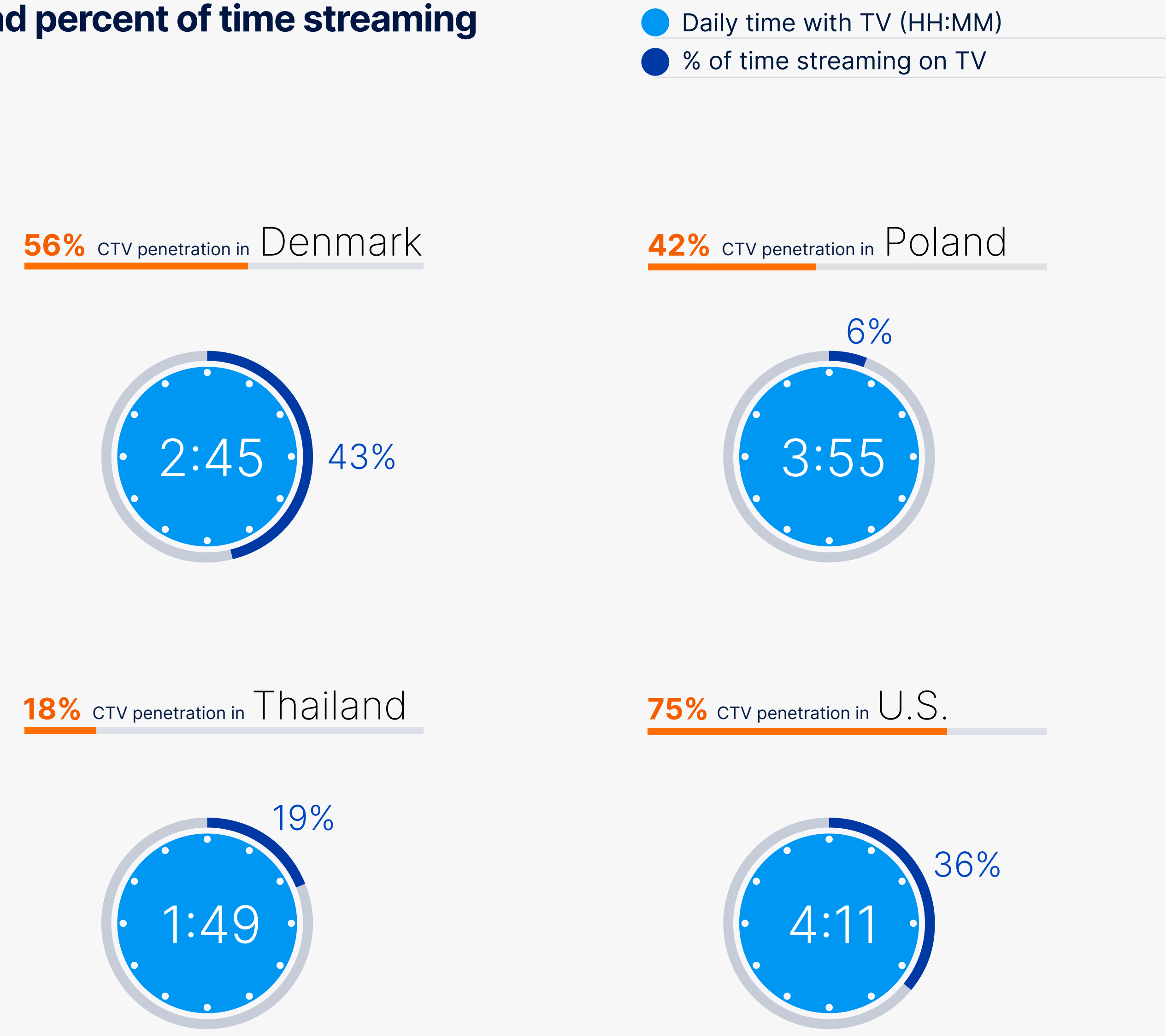
CTV penetration doesn't mean more streaming—yet

Given their growing reach, CTV and streaming represent a massive, burgeoning opportunity for marketers. At the end of 2023, for example, streaming had grown to account for 36% of TV usage in the U.S. and 24% of TV in Mexico[1]. In terms of ad spend, GroupM notes that CTV is where all the upside in TV resides, forecasting compound annual growth of 9.5% to [$45.8 billion in 2028](#).

While CTV adoption has inspired significant streaming growth in some markets, it has not yet had the same effect everywhere. CTV penetration in Denmark, for example, was 56% halfway through 2023, but video on-demand and streaming accounted for just 8% of video consumption across devices. And in Poland, where CTV penetration is 42% and audiences spend almost four hours with TV each day, they only spend 15 minutes of that time with streaming content[2].

Figure 3.2

CTV penetration, total time with TV and percent of time streaming



*January 2024; Denmark: 3+, 1H 2023; Poland: 4+, 1H 2023; Thailand 4+, 1H 2023; U.S. 2+, Q3 2023. | Sources: Nielsen National TV Panel; Nielsen audience measurement

[1] The Gauge, Nielsen's monthly snapshot of audience engagement with TV.
[2] Nielsen Audience Measurement

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The importance of media investment

Scale is another important factor when considering audience reach. In fact, data from Nielsen's Predictive ROI (PROI) database has found that 50% of brands don't invest enough in media to achieve their maximum ROI. Across channels, brands under-invest the most on digital video (by 66%), followed by digital display (by 60%). In Europe, our data shows that 31% of media plans are underinvested[3].

To stay competitive, a brand needs to spend between 1% and 9% of its revenue on media[4]. Globally, the average brand reinvests 3.8% of its revenues into advertising.

Europe is just shy of that average at 3.7%. When a brand doesn't invest enough in media, it limits the potential to achieve maximum ROI[5].

Understanding channel effectiveness across objectives

While audiences are consuming media across multiple channels at once, very few channels are able to deliver on both short- and long-term goals.

Globally, only 36% of channels perform above average for delivering both sales and brand building. In EMEA, the percentage jumps slightly to 38%[6].

Because channels may be strong for only one objective, advertisers should measure both brand building and sales impacts to understand how specific parts of your media plans drive value.

[3] Source: Nielsen Predictive ROI Database, 2022 | [4] Digital, display, search, digital video, social, TV
[5] Source: Nielsen Predictive ROI Database, 2022 | [6] Source: Nielsen Marketing Mix Models, 2022

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The takeaway

When long-term ROI is a brand's top priority, reaching and engaging new audiences is essential. Leaning too heavily into just a few channels can mean that you miss out on those fresh audiences. That's why a cross-media approach that understands the correlation between channels and outcomes is critical in media planning.

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4 Martech mismatch

The disconnect between insights and execution

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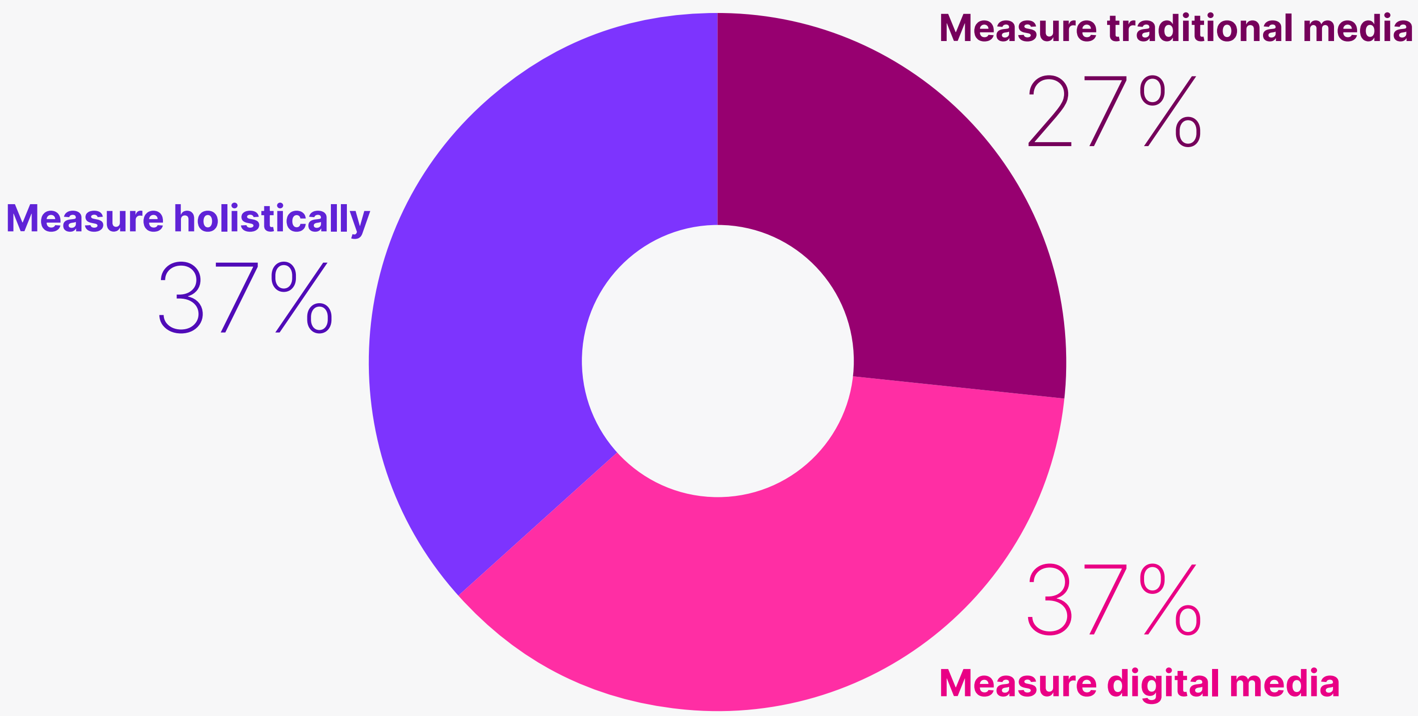
Confidence in marketing technology is particularly high in EMEA. On average, 79% say they're either extremely or very confident in their ROI measurement capabilities, up considerably from 67% last year.

However, only 37% of EMEA marketers say they evaluate the holistic ROI of their marketing efforts by measuring traditional and digital marketing together.

Figure 4.1

How EMEA marketers measure the ROI of their marketing spend

Across traditional and digital channels



Percentages reflect responses to this question: How does your organization measure and evaluate the ROI of your media spending?
Percentages may not sum to 100% because the chart does not include responses for "not applicable".
Source: 2024 Nielsen Global Annual Marketer Survey

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There are three possible reasons for the gap between martech confidence and tactical execution:

- Varied definitions of “full-funnel measurement”
- Insufficient martech capability knowledge
- A lack of resources to evaluate and/or communicate the data to stakeholders

Regardless of reason, the mismatch creates blind spots in measurement that will contribute to misattribution and a likely underestimation of the true impact of a brand’s total marketing efforts.

Perhaps more enlightening, however, is the sentiment about the tools EMEA marketers have for measuring full-funnel ROI and which ones they use most often. A majority (60%), for example, say they use media metrics for holistic ROI, even though KPI measurements like reach, click-through-rate and cost-per-click won’t provide insight beyond initial audience engagement. However, 51% rely most heavily on marketing mix modeling (MMM), which is more focused on marketing outcomes.

Tactically, MMM is the most prevalent option among global marketers for measuring holistic ROI. The only downside is that nearly half (49%) of EMEA marketers don’t use or have access to MMM tools.

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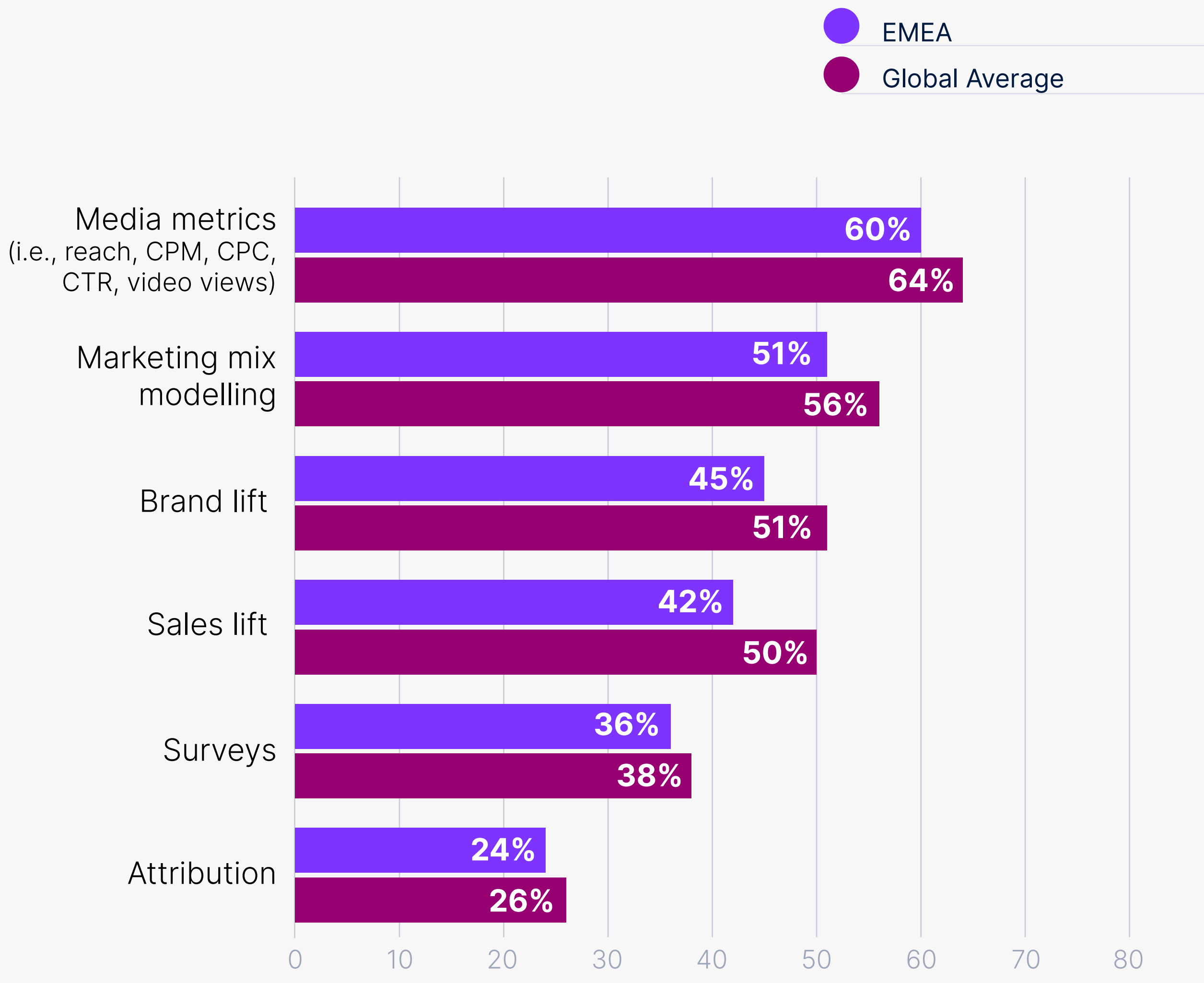
Figure 4.2

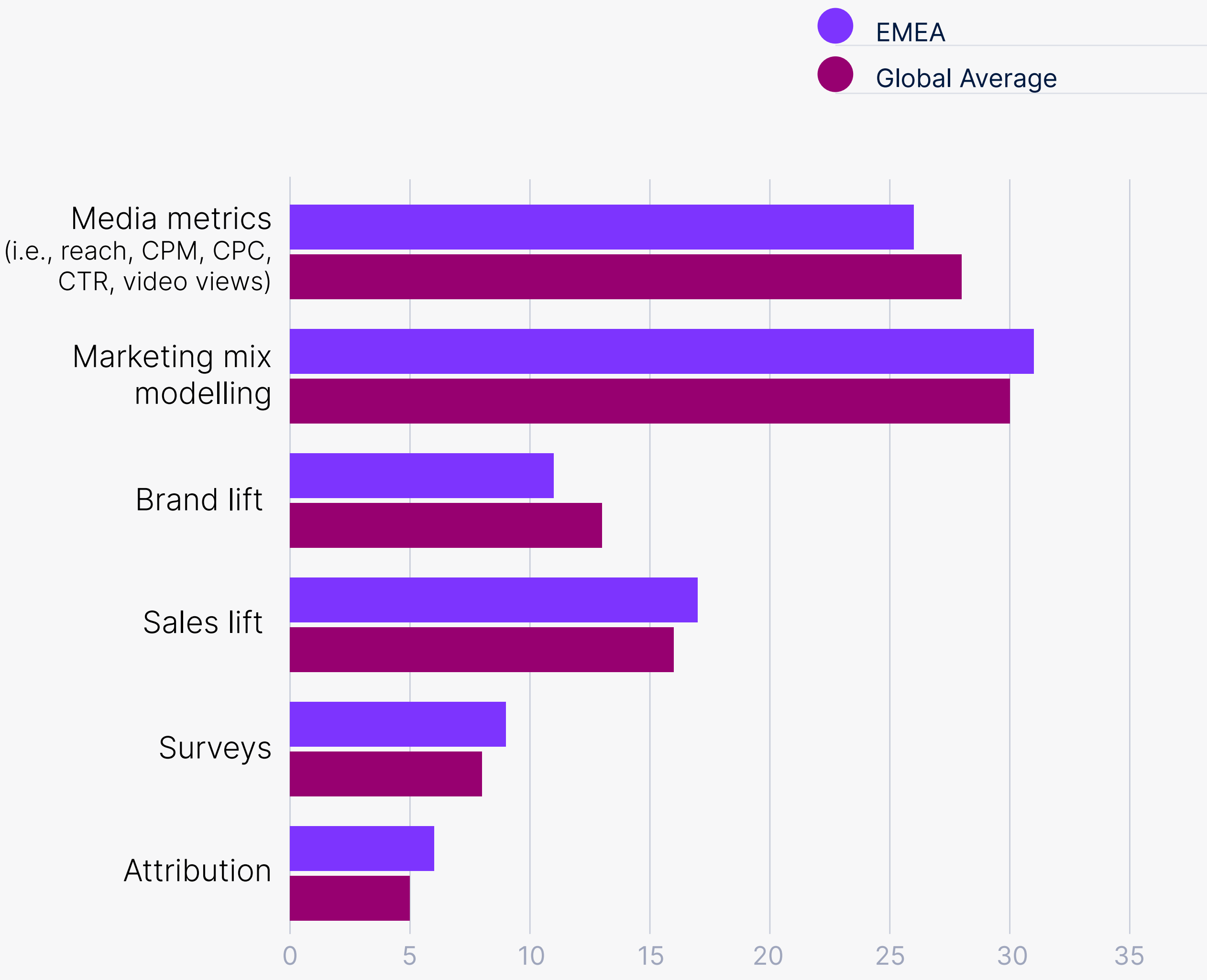
Measurement tools available to evaluate holistic ROI



Read as: 64% say they have media metrics tools to evaluate holistic ROI.
Source: 2024 Nielsen Global Annual Marketer Survey

Figure 4.3

Measurement tools most used to evaluate holistic ROI



Read as: 30% of global marketers say they use MMM most often to evaluate holistic ROI.
Source: 2024 Nielsen Global Annual Marketer Survey

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The takeaway

Based on the results of our survey, It seems that there may be a need for greater education of marketers. The disconnect between the high degree of confidence in measurement and low adoption of the most important measurement tactics suggests we have some real opportunities for improvement and perhaps a need for more honest self reflection.

Within EMEA, 79% say they're either extremely or very confident in their ROI measurement capabilities. But this sounds like misplaced confidence when you consider the reality that adoption of MMM is lower than the global average and only 37% of marketers say they evaluate the holistic ROI of their marketing efforts by measuring traditional and digital marketing together.

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Marketers’ great balancing act

The media landscape won’t get any less complex any time soon. Marketers will have to figure out how to balance conversion-focused initiatives with long-term, brand building needs.

As with many industry terms and phrases, “long-term” can mean different things to different people. The same can be true about evaluating long-term impact. Some may lean on downstream purchases that result from conversions or previous brand exposures. Others may opt to analyze the impact that their marketing has on driving brand equity metrics, like consideration and purchase intent.

Rather than choosing one or the other, these approaches work best when they work together. What’s more, effective measurement will require an integrated effort to review both in tandem. Marketers need to measure the impact of downstream purchases as well as how consumer perceptions are affected by marketing exposures and how they’re sustained over time.

Doing this right requires a cross-media mindset. Busting out of siloes ensures you’re spending where it counts, and measuring full-funnel impact lets you succeed today and tomorrow.

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About this report

This is the sixth annual marketing report Nielsen has produced. It's also the third to be global. The report leverages survey responses of marketers across a variety of industries whose focus pertains to media, technology and measurement strategies. For this report, we engaged 1,514 global marketing professionals who completed an online survey between Dec. 5, 2023, and Dec. 21, 2023.

In terms of seniority level, we engaged global brand marketers at or above the manager level. These managers work with annual marketing budgets of USD$1 million or more across the auto, financial services, FMCG, technology, health care, pharmaceuticals, travel, tourism and retail industries.

Here are the corresponding sample distributions by region. Please keep these sample sizes in mind when reading and interpreting the charts in this report.

Respondents by region:

APAC: 363 respondents

EMEA: 390 respondents

North America: 372 respondents

Latin America: 389 respondents

TOTAL: 1,514

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).

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