

How are we feeling?

The Digital Media Industry
Sentiment Tracker

December 2021



bluestripe

New
Digital
Age

Outlook is positive, but there's a warning not to drop the ball on diversity

As the country prepares to get back to life without the furlough scheme, New Digital Age surveyed the tech, advertising and marketing industry to see how it is collectively feeling after a tumultuous year-and-a-half.

The clear out-take is people feel the pandemic has brought them closer to clients, and the industry is upbeat on revenue prospects and the resulting need to hire. At the same time, there is still understandable caution around the possibility of recession and another wave of Covid infections.

As they build larger teams to cope with new business, most companies are also worried about workplace safety and diversity. More than two in three either fear the pandemic will mean projects to build more inclusive teams may struggle for funding, or the industry will be tougher for people from non-traditional backgrounds to enter.

As one would imagine, hybrid working is expected to dominate, with two or three days spent in the office in the average week and, for most companies, fewer days spent at physical events than in previous years.

The survey paints a positive outlook for the year ahead. There is understandable caution as the government ends the furlough scheme and encourages workers to go back to the office. However, overall, the industry appears confident, though not complacent, as it gears up to increase billings and go on a recruitment drive.

Executive Summary

Methodology

Quantitative research was conducted via a survey of 100 senior executives in the digital media and marketing industry by New Digital Age, a publication owned by Bluestripe Group, during August 2021.

The results from the survey were discussed on a webinar hosted by NDA editor Justin Pearse and featuring:



JERRY DAYKIN
EMEA Senior Media Direct,
GSK



JO HOLDAWAY
Chief Data & Marketing Officer,
Independent Digital News and Media

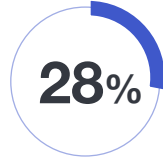


DOMINIC WOOLFE
CEO,
Azerion

Revenue Uptick

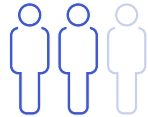


More than **4 in 5** companies expect revenue increases



expect to see revenue leap by **50%** or more

Furloughing used sparingly

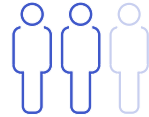


----- **2 in 3** companies **no longer** had staff on furlough

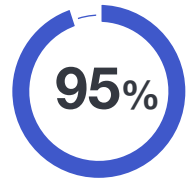
----- **2 in 3** who are using the scheme say **all staff will return**

Saving jobs

Nearly **2 in 3** expect to increase headcount



A new way of working



expect to **combine** remote and office working



More than **4 in 5** expect employees to spend two or three days a week in the office

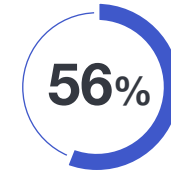


Keeping workers **safe from Covid** and **increasing diversity** are the big workplace issues

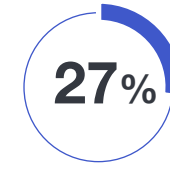
Key Findings

at a glance

Exhibitions



expect **fewer** physical events



expect **more** physical events

Industry fears



Recession, death of third-party cookies and a rise in Covid infection levels are the **top concerns** (in that order)

Client issues



Companies feel closer to clients, and **engagement is high**

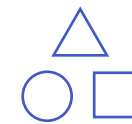


Clients are expecting **work faster**



reveal some clients have asked for **reduced fees**

Working concerns



Employee safety and diversity are the biggest issues for the workplace



More than 2 in 3 fear the pandemic will adversely impact diversity drives



Positive on revenue

The advertising, marketing and tech industry is feeling buoyant on income. With the easing of lockdown restrictions, more than four in five are expecting an increase in economic activity and expect revenue to go up over the next 12 months. In fact, more than a quarter (28%) expects to see revenue increase by more than 50%.

This is a significant uptick on the 61% who predicted an increase in revenue for the next twelve months ahead when they were surveyed during Q3 of 2020. Similarly, those predicting a 50% or greater increase is significantly up (from 18% to 28%).

Clearly the past year has been tough, but the industry is reporting sufficient activity to be confident that revenue is going to rise. Only one in seven (17%), expect to see a decline in billings over the next year.

In media, digital-only publications were better placed than print rivals, according to Jo Holdaway, chief data and marketing officer, Independent

Digital News and Media. She reveals the online news business has had a bumper year in terms of ad revenue, and has already set targets for the year ahead above pre-pandemic levels.

This positivity is reflected at advertising platform Azerion, reveals its CEO, Dominic Woolfe. It is now seeing strong growth after witnessing the universal



“From April until August ([2020], we were hit because we tend to focus in the brand area, and I think people went to being quite performance-led,” he says. “I think the bounceback happened from September 2020, and was a lot stronger than probably any of us thought. And that’s continued. There are a lot of big advertisers that realise they need to invest in their brand, and there are also a lot of challenger advertisers. So we’re generally feeling really buoyant”



Positive on furlough

The pandemic will always be remembered for bosses having to make some very difficult decisions over staffing levels. Government [statistics](#) shows that in the week before most lockdown restrictions were dropped, on 19 July 2021, 11.6m employees had been furloughed since the start of the scheme in the spring 2020.

With the end of furlough approaching (in September 2021), the industry reveals a very positive record on the use, or rather lack of use, of the job retention scheme.

Two in three reveal they are not furloughing anyone, while 29% are, but for less than a quarter of their head count. The mood among those companies who did need to use the job retention scheme is positive, with two in three saying everyone who was furloughed will return. An additional 23% reveal most of those furloughed will return.

That leaves only 6% of those who had to use the scheme reporting that none of those furloughed will return.



More hiring than firing

This positive news on a general lack of furloughing, and predictions that all or most of staff that were affected will return, reflects a mood among companies to recruit rather than cut back on numbers.

Nearly two in three (64%) report they expect head count to go up in the year ahead, while a further 17% expect staff numbers to stay the same. Only 18% expect to see reductions.

This is having a mostly positive outcome on people's feelings of job security, with half feeling as secure as they did previously, and nearly one in five reporting less concern. The nearly one in three, 29%, who are feeling more nervous about their position cannot be overlooked at a time when the threat of economic uncertainty looms large. For the most part, though, head counts are expected to go up and most people, just over two in three, are not more worried than a year ago.

In fact, to the contrary, Azerion's Dominic Woolfe believes the problem most media, advertising and technology brands are now facing is in retaining talent and making new hires.



"There are a lot of vacant roles within agencies and media owners, and I think we're all struggling in that respect," he says. "There's wage inflation and it's also been challenging to interview and onboard people. There's something about the virtual nature of work that makes people less attached to the company. Working from home, you're only one click away on LinkedIn to a Zoom call for a new job"



Flexible work, engaged clients but fewer events

When the furlough scheme ends and children go back to school in September 2021, the anticipated return to work is likely to gather momentum. The industry will feel a far more flexible sector to work in. Nearly all (95%) of companies expect staff to work remotely at least some of the time.

For more than four in five companies, the anticipation is that staff will likely come into the office two or three days per week. Virtually no companies (just 2%) will be asking staff to come in more regularly on the average week.

Jo Holdaway, chief data & marketing officer, Independent Digital News and Media, says that this chimes with the results of their own staff survey, which showed most wanted to work two to three

days per week in the office. This should not be a problem for media companies that have faith in their employees, she believes.



“You have to employ people you have trust in, whether they’re in the office or they’re working from home,” she says. “They don’t have to work nine to five, but you can get a really good sense of people’s productivity in your teams. We have said to come in when your team and the people that you’re most likely to want to network with come in, and that’s worked really nicely.”

The return to work could look very different for businesses that have allowed leases to lapse or have downscaled space to match lower demand for seats and desks each day. At GSK, Jerry Daykins, EMEA senior media director, reveals the question is now what role the office plays, and how that impacts its design.

"We're creating a new office and so we have to ask: what does an office of the future look like?" he says.



"There are a lot of vacant roles within agencies and media owners, and I think we're all struggling in that respect," he says. "There's wage inflation and it's also been challenging to interview and onboard people. There's something about the virtual nature of work that makes people less attached to the company. Working from home, you're only one click away on LinkedIn to a Zoom call for a new job"

When people are back to some form of 'new normal', they are likely to reflect on the pandemic as having brought them closer to clients who have engaged on a deeper level than before.

Clients have not only worked more closely with the industry, they have needed to change messaging to remain relevant in a fast-changing and unpredictable world. More than half the industry has noted that clients now want work done faster.

Relationships have got closer so that work can be turned around quicker, which is not necessarily a bad thing. However, it cannot be ignored that a quarter

of survey respondents report clients are expecting partners to work for reduced fees. Following the closer relationship and the need for work to be produced faster, a cut in fees was the next biggest change in client behaviour, respondents noted.

When it comes to networking, 56% expect to get to fewer physical events, although a quarter (27%) expect a pick-up in face-to-face exhibitions. It will come as little surprise that the top event for people who plan to attend physical events is Cannes, for more than a third of exhibition-goers. Advertising Week Europe is close behind, and Dmexco is in third place, with a quarter of events attendees aiming to make the trip.



Contraction, Covid and cookies

Just in case the survey looks like it is painting too rosy an image of the year ahead, it should be noted that 70% of respondents revealed the biggest issue facing the industry is economic recession.

Typically for the advertising and marketing industry, a fear of economic contraction is nearly matched by the perennial issue of the death of third-party cookies. Online tracking codes disappearing is expected to be nearly as big a factor in the year ahead as recession, for two in three respondents.

To put that in perspective, the industry believes the disappearance of cookies is more of an issue than the risk of another wave of Covid infections, which is currently seen as a big issue for the year ahead by just over half the industry.

For advertising companies, the key is to now invest in first-party data and contextual tools to be more self-reliant and understand the interaction between consumers and advertisers better, according to Azerion's Dominic Woolfe.

However, for publishers with rich first-party data reserves, the end of the cookie can only be a good thing, says The Independent's Jo Holdaway. She is upbeat on the future of quality online publications.

"Publishers have now got the confidence to challenge vendors, and we have GDPR to thank for that," she says.



"All our segmentations are first-party only. We're using new technologies and setting up relationships with ID vendors. We want the industry to act now rather than have people saying, 'Let's do what we can with cookies until the deadline, and then we'll worry about it at one minute past midnight' - which is what everyone did with GDPR."

Recession, cookies crumbling and a new wave of Covid infection are the big three factors that will dominate the year ahead, with the continued dominance of the GAFA platforms (Google, Apple, Facebook and Amazon) and the diversity debate not far behind.



Safety and diversity are prime work concerns

When the industry diverts its focus from the macro view of the economy and pandemic to consider issues surrounding the workplace, ethnic and gender diversity are key issues.

They are only slightly eclipsed by the understandable focus on workplace safety, which the industry agrees is the top issue for the year ahead, alongside staff retention. The margins are small here and the clear message is that companies want to keep staff safe in the workplace and keep hold of their talent. At the same time, they want to build diverse teams that reflect the UK's multi-cultural population and embrace equal opportunities.

The pandemic is a potential roadblock here. Nearly half of respondents (46%) fear financial constraints will impact diversity programmes, making it harder for people to enter the industry, while 37% fear financial constraints will mean initiative will struggle to find funding. Nearly a third (30%) are more upbeat, predicting the pandemic will have no long-lasting impact on their bid to improve diversity.

This chimes with what Jerry Daykins, EMEA senior media director, GSK, is seeing. As a global diversity ambassador with the World Federation of Advertisers, he was part of a recent survey which showed some progress has been made, but the industry must keep pushing harder.



“Our survey points to some really painful challenges around people thinking about leaving our industry because they don't feel included, but there is a glimmer of hope that advertising and marketing is actually ahead of most industries,” he reveals.

“So there is progress there but there's also a blunt truth some of the well meaning initiatives need to turn into hard realities and when your business is squeezed and your budgets are cut, training and those schemes can be hurt. The pandemic hasn't been great for diversity in the short term, but I think it's sparking real change in the longer term.”

Overall, the picture is that progress is starting to be made on diversity but, in some cases, it may have stalled under the pressure of the pandemic. The industry has a clear warning sign, then, that as it gears up to win new business and hire the teams to deliver it, no company can afford to drop its guard on boosting diversity.

Bluestripe Group is a diversified media business offering communications, content and media products for the media, advertising and technology industries. The company is disrupting the traditional communications model, bringing together the previously separate businesses of content, communications and media under one umbrella, leveraging the synergies inherent between those operations. *New Digital Age*, published by Bluestripe Group, covers the latest news, insight, opinion and research on all aspects of digital media and marketing.

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