STATE OF

DIGITAL MARKETING

TALENT

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Executive Summary

The current state of digital marketing is defined by the existing talent and knowledge present throughout the industry, from agency to brand, small business to global enterprise, and from entry level intern to subject matter expert.

In order to examine and understand the state of talent in the industry, Online Marketing Institute, in partnership with CLickZ and Kelly Services, conducted a survey of nearly 750 organizations who have a need for digital marketing talent, either internally or via outsourcing.

Overall, our research shows we are in a critical stage as an industry… some might say a make or break point. The opportunity of a job or career in digital marketing and for business ROI is fully recognized by nearly all, but that potential is grossly underserved. In fact, the results of the study indicate that there is a substantial gap that exists between the need for strong digital marketing talent, and the skills that individuals in the field currently bring to the table. Across the industry, there is insufficient focus on grooming talent, fostering the knowledge needed in various digital marketing areas, and standardizing the education programs needed to fill the gap. In fact, the gap between skills needed and talent available is becoming a massive chasm within the industry affecting job seekers and employers alike.

Essentially, the survey results indicate several key findings:

1) There is a pervasive, deeply running digital marketing talent gap – a substantial difference between what employers value and what talent is available to them.

- While 71% of large brand/enterprise organizations believe their digital marketing team is strong in some areas, their employees exhibit mediocrity/weakness in others when importance and strength are analyzed together, with sizeable gaps in every area studied.

- There is a shift underway in the industry toward specialists with various levels of expertise. While 34% look for both generalist and specialists, 22% say the need for specialists is growing. Of greatest importance are specialists in analytics, email, content marketing, mobile marketing and social media, yet skill strength in all areas is largely verified through highly subjective criteria.

2) Employers perceive spotty levels of knowledge, skill level and experience – there is a need for talent at each level (entry, mid-tier and executive), with knowledge and skill gaps observed in the most crucial areas.

- Employers report opportunities exist at every level of experience. While most openings have required some skill, more than one-fifth of agencies and large enterprises have had entry level positions available. This is good news for recent college graduates, however it is important that those new to the field are able to demonstrate substantive, measureable knowledge and ability to prospective employers.

- Brands are in particular need of entry-level social media marketers, and mid-tier managers in content marketing, web analytics, and content marketing.

- Agencies perceive particularly strong gaps in specific areas, including mobile marketing, analytics, and marketing automation.

3) Significant challenges in locating talent results in a lack of consistency – a heavy reliance on referrals leads to hires based on subjectivity, without any industry standards or consistency indicated in performance expectations.

- 70% of large enterprises and 75% of agencies rely on referrals from other professionals to meet their hiring needs.

- More than one-third of respondents have not hired in the past year because they are overwhelmed by the various sources available and cannot identify a "go-to" resource for talent.

- 30% of large enterprises and 24% of agencies are unable to successfully weed through the resumes they receive and can't adequately distinguish between individuals with the right skills, and those without.

4) The industry is rife with missed opportunities in existing training and skills acquisition efforts – level-setting programs are infrequently used and underutilized, impeding returns on marketing investment.

- Just 22% of large brand enterprises have a level-setting program and only 10% use any type of testing, resulting in skills that cannot be formally measured.

- Organizations rarely use human resources to manage training; HR managers can become more engaged in the process and increase their own organizational value.

5) Skill assessment plans lack consistent implementation, characterized by frequent dissatisfaction – Organizations recognize the value of assessment and measurement, yet an absence of industry-wide standards and insufficient onboarding programs puts employers at a competitive disadvantage, hampers career growth, and makes it increasingly difficult for individuals to prove their worth.

- More than 80% of respondents verify skills through previous work experience; overall there is a lack of an objective, consistent way to measure standards.

- Large enterprises and agencies frequently acknowledge the need to assess talent. However, many use a scattered approach, spreading precious company resources too thin.

6) There is a broad sense of entitlement among young employees – Employers report a widespread attitude of entitlement among young hires. This attitude results in significant risk of career self-sabotage, and also interferes with the ability of the organization to generate results.

- 70% of respondents say that new employees expect to advance or be hired for upper-level positions before proving themselves.

7) There is currently a need for solid, measurable, and accurate digital talent education – programs are sorely needed but few organizations implement any organized formal team training programs. Organizations aware of existing programs feel that these programs are not adequate or sufficient for their needs.

- Close to 80% would value an on-demand library of digital marketing classes, with almost 70% being interested in customized eLearning of digital marketing skills or in-person workshops or training.

This talent gap threatens to undermine organizational achievement and career satisfaction. However, those who commit to ramping up the proper talent development programs, with effective education, implementation of measurable standards, and focused training and hiring practices will ultimately win market share and achieve desired business outcomes.

For the agency, that translates into winning more deals and increasing client retention rates.

For the global brand that means major expansion and market share gains that would normally take tens of millions of advertising dollars to even have a shot at achieving.

For the small business it means going from survival to thriving.

And finally, for the individual job-seeker, it means obtaining highly-paid, rewarding and exciting growth opportunities.

Methodology

The web-based survey was fielded between August 18th and August 26th, 2013. 747 organizations responded to the survey. Of particular analytical focus were those in large enterprises (brand/enterprise organizations employing at least 100 individuals, N=89) and agency/consultancies (agency/consultancy, with 2 or more employees, N=128).

Digital Marketing Talent Gap

The *State of Digital Marketing Talent* study reveals that there is a substantial talent gap between what employers believe are important skills for digital marketing employees to have, and what they observe their existing talent currently possess.

Fully 71% of large enterprise/brand organizations say that while their digital marketing team is strong in some digital areas, the team is mediocre or weak in others. According to one marketer,

"It depends on each individual…{it is} not homogeneous."

Another marketer summed up a widely-held perception that there are holes in areas throughout digital marketing teams:

"Depends on team and their core role. Sales could use improvement in all categories. Product experts could use improvement in non-core areas."
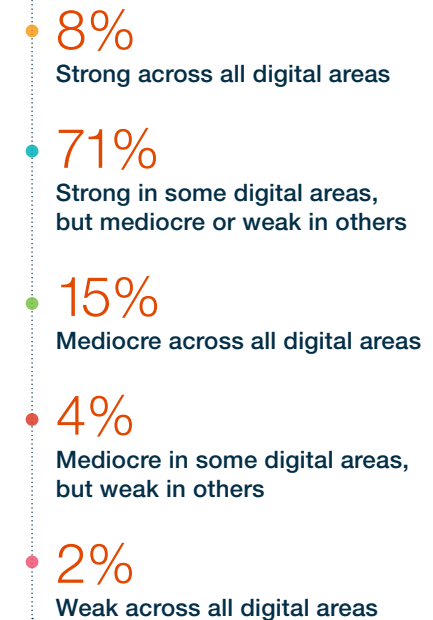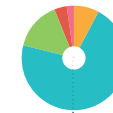
Still others seem overwhelmed by their needs, and while they know talent could be improved, they aren't always sure how to achieve better results, nor do they know of any specific strategies to use that would have a positive impact:

"We need to strengthen our social media presence."

There is also evidence that hiring trends are shifting toward those with expertise in certain areas. While 34% look for both generalists and specialists, 22% say the need for specialists is growing while just 10% are observing an increased need for generalists.

"Need people with industry specific experience, not generalists."

CURRENT ASSESSMENT OF MARKETING TEAM'S DIGITAL MARKETING KNOWLEDGE

8%
Strong across all digital areas

71%
Strong in some digital areas, but mediocre or weak in others

15%
Mediocre across all digital areas

4%
Mediocre in some digital areas, but weak in others

2%
Weak across all digital areas

Specific Areas of Gap in Knowledge and Skill

The data also indicate widespread gaps in many individual areas. Specifically, 76% of large enterprise/brand employers believe it is important or very important that digital marketing employees have analytics as a skill in their toolkit.
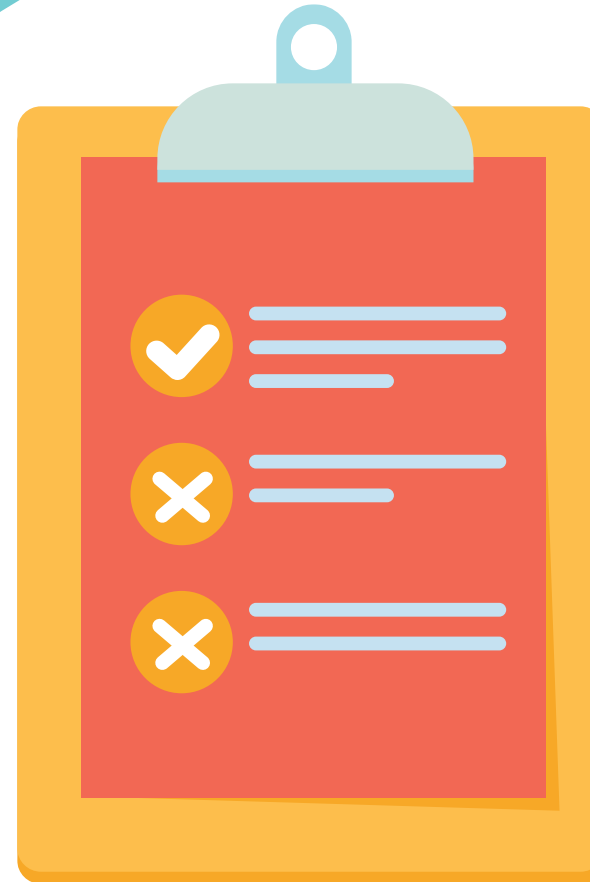
Just 39% believe that their employees have either stronger or much stronger Analytic skills than employees in other organizations, a gap of 37 percentage points. A gap nearly as large is perceived for mobile (29 points), with content marketing, social media, and email (27 points) sharing third place. In fact, there is a sizeable gap on every skill studied.

This talent gap is not limited to those on the brand side. Agency/consultancy respondents also acknowledge the need for talent improvement, with 54% saying their team is strong in some areas, but mediocre or weak in others. A particularly notable gap is observed in how agencies view the importance of mobile marketing (74%) compared with the proportion believing their team is stronger or much stronger in mobile marketing when compared with the competition (31%), a gap of 43 percentage points. Additionally, agencies perceive a gap of 30 percentage points each for analytics and marketing automation. It is highly likely that as a

result of these gaps, agencies and consultancies are often perceived as behind their competitors, leading to a loss of new business and revenue.

These findings suggest that companies and agencies are not achieving the desired output from their digital marketing teams. More importantly, organizations are likely falling short of recognizing their potential and are not reaping an adequate return on their marketing talent investments.

To some degree marketers are aware of this gap. In the words of one respondent,

"Haven't been able to hire the specialists we need due to lack of talent or experience in our area."

However, while other respondents are aware of the gap, they are not aware of what it would take to improve upon their existing resources to generate proiftable returns.

IT IS HIGHLY LIKELY THAT AS A RESULT OF THESE GAPS, AGENCIES AND CONSULTANCIES ARE OFTEN PERCEIVED AS BEHIND THEIR COMPETITORS, LEADING TO A LOSS OF NEW BUSINESS AND REVENUE.

"{It is} not readily specifiable. We do what we do and it works well enough, but we could and should be doing more…The adequacy of our activities and business has insulated us from needing to stay state-of-the-art with a comprehensive digital marketing approach."
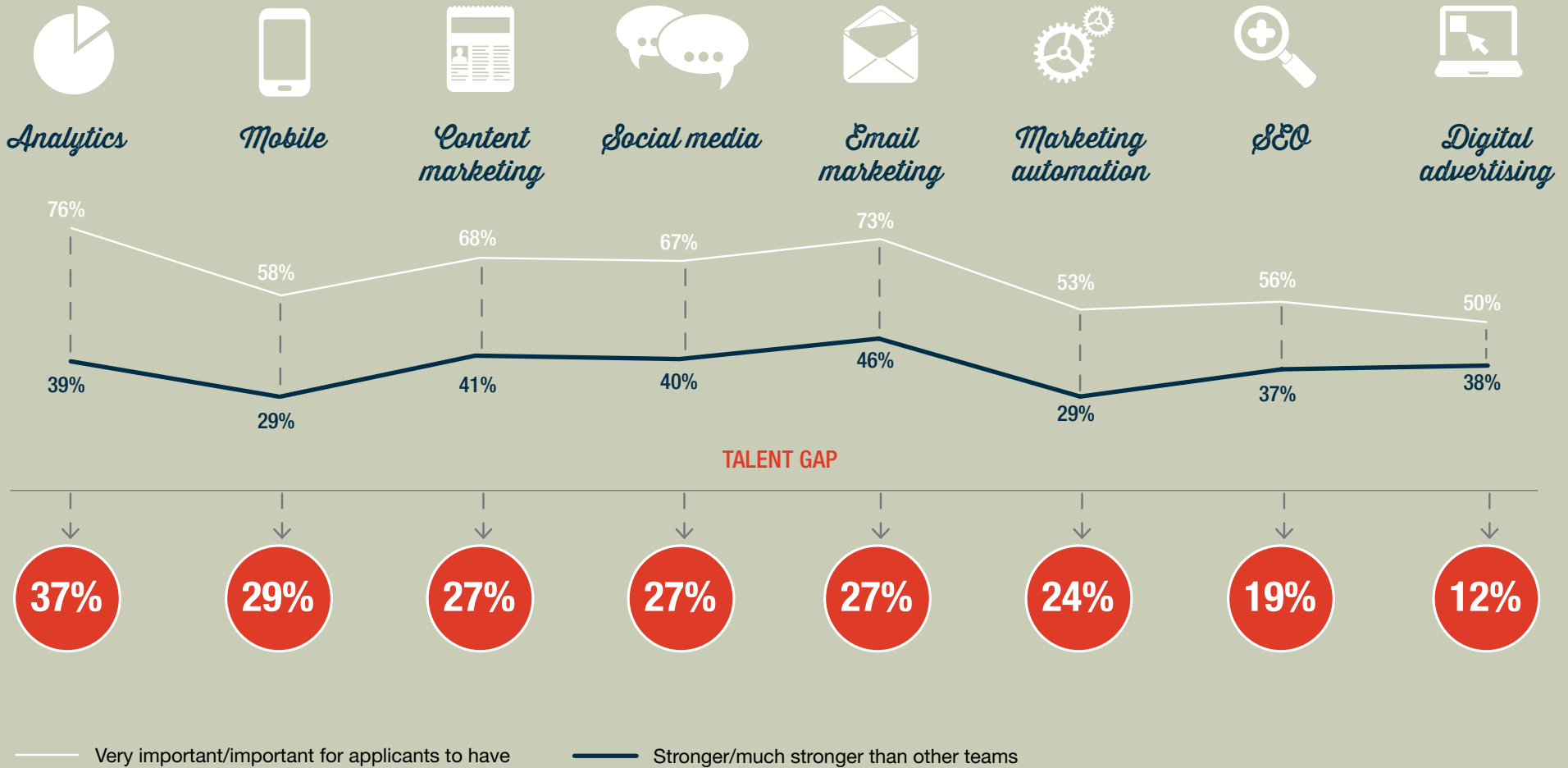
However, these findings also indicate that there are opportunities for job seekers and those individuals seeking to advance in their careers to capitalize on these existing gaps. By demonstrating that they truly have expertise in these areas, both job seekers and career climbers can position themselves as providing greater value to organizations with a need for digital marketing talent.

In the past year, large enterprise organizations have been primarily in need of individuals with 3-5 years of digital marketing experience, with 67% saying so. Specifically, these organizations have been in need of mid-tier managers in the areas of content marketing (43%), web analytics (46%), and overall digital marketing (52%).

Agencies have been mainly focused on looking for talent at a variety of levels, ranging from those with some digital marketing knowledge and acumen (41%) to 1-2 years of digital marketing experience (42%) to 3-5 years of digital marketing experience (45%). Most often, agencies have looked for entry-level execution (39%) and mid-tier management (36%) of social media, and mid-tier content marketing managers (38%), search marketers (38%), and web analytics (36%).

THERE ARE OPPORTUNITIES FOR JOB SEEKERS AND THOSE INDIVIDUALS SEEKING TO ADVANCE IN THEIR CAREERS TO CAPITALIZE ON THESE EXISTING GAPS.

THE TALENT GAP

Analytics	Mobile	Content marketing	Social media	Email marketing	Marketing automation	SEO	Digital advertising

Very important/important for applicants to have:
76% · 58% · 68% · 67% · 73% · 53% · 56% · 50%

Stronger/much stronger than other teams:
39% · 29% · 41% · 40% · 46% · 29% · 37% · 38%

TALENT GAP

37% · 29% · 27% · 27% · 27% · 24% · 19% · 12%

——— Very important/important for applicants to have   ——— Stronger/much stronger than other teams

Challenges in Locating Talent

The effects of the recession continue to linger for some; 23% of large enterprises have not hired digital marketing talent in the past year primarily due to insufficient funding.

The talent gap is also taking its toll and preventing these organizations from achieving their goals. 40% were not able to fund sufficient talent to handle their workload, and 36% find that students out of school do not yet have the real experience required. These barriers are also experienced by agencies and consultancies, with 44% indicating that students have insufficient experience, and 38% saying they are unable to hire talent to meet their workload.

"Computer and math skills way below what I would expect from college graduates."

"Folks who post to Facebook think they're digital/social experts."

"Many marketing professionals are not trained on the new digital world of marketing."

"Either people are marketers or digital, rarely both."

"{There is} a surprising lack of strategic social media knowledge."

"We have found people who are good at 'digital' but poor at marketing; occasionally vice versa, but few candidates with standout capabilities on both sides."

"They are qualified but lack industry knowledge and experiences, so making the qualification they have {is} useless in the real world."

However, barriers to finding talent also present an opportunity for employment seekers and those looking to move up in their careers. Not only do organizations have workload that exceeds the availability of qualified staff, but 15% of large enterprises and 16% of agencies find it difficult to differentiate between the resumes they receive from each other. Individuals seeking employment or a new job can take advantage of opportunities to add concrete real-world credentials to their resumes as a way to gain a competitive edge.

Weeding through resumes is also a barrier toward hiring, with 30% of large enterprises and 24% of agencies indicating that they are hindered by the time consumed by this activity. These statistics also

"FOLKS WHO POST TO FACEBOOK THINK THEY'RE DIGITAL/SOCIAL EXPERTS."

SPECIFIC AREAS OF GAP IN KNOWLEDGE AND SKILL

indicate that job-seekers would be well-advised to include stand-out characteristics that are accurate and measurable when giving proof of their knowledge, skills and abilities to prospective employers.

"(There is) a misunderstanding of how digital marketing translates into real world success."

"People lie about their digital skill level."

"Resume suggests competency but doesn't always carry to on-the-job abilities."

"Talent is slim and skills are often inflated on resumes."

"Most resumes are built with buzz words. Through the interview process is where we weed out those that do not quality and those that really understand the space and position we are looking for. So it is very time consuming."

The number of tools to locate talent can also be overwhelming, as 36% of large enterprises and 33% of agencies also have not hired because they have not found one single source to find talent. Their efforts, already constrained by organizational needs, are scattered among the tools currently available, as no one source has set itself apart as a reliable "go-to" resource. It is not surprising, therefore, that 70% of large enterprise respondents, and 75% of agencies identify referrals from other professionals as being much more helpful or somewhat more helpful than other resources they have used. However, referrals are often subjective, and organizations would benefit from measurements that are more standardized and provide a more objective assessment of a candidate's true abilities.

"RESUME SUGGESTS COMPETENCY BUT DOESN'T ALWAYS CARRY TO ON-THE-JOB ABILITIES."

Existing Training/ Skill Acquisition Efforts

Large enterprise/brand companies rarely implement digital marketing level-setting programs, with just 22% saying that they have such a program for all employees.

Level-setting can be a critical strategy for ensuring that employees possess at least a base-line degree of skill. Therefore, it is alarming that an additional 47% do not currently have a level-setting program, nor intend to implement one. The organizations are missing out on a key opportunity to bring their digital marketing talent up to speed, and are inadvertently contributing to the talent gap in their employee pool.

Organizations that provide their employees with ways to acquire digital marketing skills tend most often to rely on techniques that are informal and subjective to an employee's own initiatives. For example, 45% send their employees to industry conferences and events, 43% recommend articles/written online content, and 40% use computer-based orientation. However, without a formal level-setting program in place, these organizations are relinquishing the ability to ensure that these investments demonstrate any measureable return. In fact, just 10% use any type of testing to measure employee skill base or knowledge. Furthermore, the survey findings suggests that organizations

infrequently look to instill best practices in a focused approach, with respondents characterizing their efforts as:

"Trial by fire."

"We recommend employees keep up with the latest trends and events."

"Mostly comes from on-the-job training/learning."

Large enterprises vary in terms of who has responsibility for training. Human resources is tasked with this responsibility 27% of the time, followed by the trainee's direct manager (26%), digital team lead (22%), and marketing team lead (19%). Such an overall scattered approach, however, likely leads to a lack of standards. The responsibility for digital marketing skill acquisition is managed by different departments with their own agendas; therefore, the overall talent gap in the marketplace is widened by differing levels of managerial expectations.

Level-setting programs are more common in agencies/consultancies, with 31% claiming to have

JUST 10% USE ANY TYPE OF TESTING TO MEASURE EMPLOYEE SKILL BASE OR KNOWLEDGE.

such a program. They are somewhat more likely to use more structured techniques of assuring skill acquisition than large enterprises, with 43% using formal meetings (compared with 36% in a large enterprise). However, like large enterprises, agencies and consultancies primarily rely on suggested readings and websites (53%), putting the responsibility for self-training squarely on the shoulders of the employee.

Organizations do see value in on-line certification programs, with 30% of agencies indicate paying for an on-line certification program and 26% of enterprises doing the same. 22% of enterprises provide an eLearning program as do 25% of

agencies. By employing more formal techniques, these organizations can provide measurable success in employee digital marketing skill acquisition, and start to close the talent gap, providing them with a competitive edge.

Agencies most often rely upon the digital team lead to manage training (31%), followed by the marketing team lead (23%). Just 20% of agencies use human resources to manage these programs; there is an opportunity for human resource professionals to become more engaged in these training programs, so that the company can support such efforts from a more holistic perspective.

…THEY PRIMARILY RELY ON SUGGESTED READINGS AND WEBSITES (53%), PUTTING THE RESPONSIBILITY FOR SELF-TRAINING SQUARELY ON THE SHOULDERS OF THE EMPLOYEE.

Skill Assessment Attitudes and Plans for Implementation

There is a widespread need for digital marketing skill assessment, yet organizations are frequently dissatisfied with their own efforts in this area.

SKILL ASSESSMENT

Some large enterprises acknowledge the importance of assessing digital marketing talent, with 46% saying assessing knowledge in new hires is either somewhat more important than other priorities, or is one of their biggest priorities. 38% also have the same view about assessing talent among employees who have been with the company at least a year.

However, organizations are frequently dissatisfied with their assessment efforts. Just 32% are satisfied with their company's efforts at assessing new hires, and 31% are satisfied with attempts at existing employee assessment.

Agencies/consultancies are even more likely to see the need for talent assessment, with 58% saying that it is somewhat more important than other priorities, or one of their biggest priorities to assess new hires. 50% are satisfied with these efforts. 53% prioritize assessment of their existing talent pool, and 54% are satisfied with their efforts with existing employees.

In spite of the gaps that exist within the current digital marketing talent pool, though, organizations lack direction in knowing whether or how to implement formal training to close these gaps. Just 28% of large enterprises plan to introduce a formal training program to improve digital marketing skills, and the same is true of just 39% of agencies.

Plans to implement training run the gamut from seminars to training to workshops and conferences. However, there is some empirical evidence that companies are searching for a more substantive and reliable model. One respondent identifies their organization's efforts as, "Constant practice, trial and error campaigns, engagement measurements, design knowledge, look more toward humanities graduates than business/IT graduates."

Other respondents admit to having insufficient resources to adequately train or educate their employees:

"Very hard to give an answer. Digital skills are impossible to learn if your DNA has no digital operational information at all."

JUST 32% ARE SATISFIED WITH THEIR COMPANY'S EFFORTS AT ASSESSING NEW HIRES.

Several respondents indicate that they have hired someone dedicated to shoring up their efforts.

In short, organizations are recognizing the need to continually assess their staff; however those organizations lagging in their efforts, or who use a scattered approach, run the risk of wasting resources or of falling even further behind their competition.

APPLICANT SKILL VERIFICATION

Furthermore, respondents heavily rely on previous work experience to verify that applicants have the specific digital marketing skills that are necessary for the job. 87% of large enterprises and 80% of agencies verify skills using prior work experience.

"{We use a} discussion during interview about specific skills in work experience."

"We trust their resumes."

However, some respondents admit that it is difficult to assess skills with they themselves may not have.

"There are some areas I am unaware of – the problem is I don't know what I don't know.

In the absence of industry-wide standards, and a lack of consistent testing of applicants as to how they measure up on such standards, it is difficult if not impossible to ensure that employees can fulfill the work required and demonstrate the talent they purport to have. Therefore, without concrete, objective measurements, the industry will continue to face a talent gap, organizations will continue to fall short of maximizing return on marketing investments, and applicants will continue to face difficulty in setting themselves apart from others in terms of their actual talents.

ONBOARDING

Many large enterprises are reaping the value of onboarding programs, with 63% saying they have one in place, and 18% being interested in one although they do not currently have one. However, while 84% include training as part of their onboarding process, just 23% incorporate testing.

IT IS DIFFICULT IF NOT IMPOSSIBLE TO ENSURE THAT EMPLOYEES CAN FULFILL THE WORK REQUIRED AND DEMONSTRATE THE TALENT THEY PURPORT TO HAVE.

Agencies are less likely to offer an onboarding program, with fewer than half (46%) having a program in place. Therefore, more than half of agencies are missing an opportunity to bring new employees, who likely are lacking in at least one key digital marketing area, up to speed with their peers, thereby underutilizing talent and running below their optimal efficiency. While 83% of agencies/consultancies include training in onboarding programs, just 32% use testing to measure skill acquisition. Notably, both Enterprises and agencies which do not incorporate testing into these programs are essentially operating "in the dark", overlooking the ability to measure the impact of their onboarding process, and whether it could be improved to bring about necessary skill acquisition.

It is also worth noting that fully 84% of large enterprises say that they have at least the same level of concern about churn among digital marketing staff as they do about other staffing issues, with 40% saying it is a moderately high or very high concern. However, aside from bonuses (40%), onboarding programs top other strategies for minimizing churn. Therefore, organizations

operating without an onboarding mechanism also risk sustaining a largely avoidable talent replacement cost. Because agencies also underutilize onboarding, they are even less likely to experience a key benefit of such a program; just 22% use onboarding to reduce churn, compared with 47% using bonuses, 45% employing salary increases, and 38% relying on promotions. With 81% of agencies and consultancies reporting that churn is at least the same level of concern as other staffing issues, the vast majority of these organizations are having to replace talent, thereby exacerbating the gap that already exists.

INTERN PROGRAMS AND GROOMING

Most large enterprises report having an intern program (69%), however fewer than half have groomed interns into full-time jobs (48%). Furthermore, more than four in ten (44%) of those large enterprises with intern programs say there is some structure to their intern programs but they rely on interns to take the initiative in getting up to speed in order to earn a competitive edge in the hiring process.

JUST 22% USE ONBOARDING TO REDUCE CHURN, MISSING OUT ON A KEY BENEFIT OF SUCH A PROGRAM.

Agencies are less likely to have intern programs (43%), and just one-third have groomed interns into full-time jobs. These organizations characterize their intern programs as even less formal than enterprises; 60% observe intern functioning and offer full-time jobs based on those who have demonstrated strong performance.

While it is laudable that some organizations see value in internships and grooming, it appears that by relying on measures that can be subjective or on self-paced learning, these organizations are largely not taking full advantage of the opportunity to strengthen incoming talent.

JUST ONE-THIRD HAVE GROOMED INTERNS INTO FULL-TIME JOBS

Entitlement Among Young Employees

Not only does the digital marketing industry suffer from a major talent pool gap, but even more frustrating to employers is the attitude of entitlement observed among recent graduates.

Fully 70% of large enterprise respondents and 72% of those from agencies/consultancies agree that they experience a sense of entitlement among young hires; these new employees expect to advance or be hired for upper-level positions before proving themselves:

"The applicants these days, especially fresh graduates, have many unreasonable demands such as high pay, unwilling to work long hours, etc."

This attitude poses a great impediment for the employee who needs to learn in order to truly improve their career path. Therefore, not only are employers hard pressed to find talent in recent graduates, but the very pervasive sense of entitlement interferes with an employee's own career development. In essence, individuals looking to advance require proven skills, but an attitude of entitlement affects both employer satisfaction and employee advancement, permeating a culture of high expectations at the precise time when learning should occur.

"…FRESH GRADUATES HAVE MANY UNREASONABLE DEMANDS SUCH AS HIGH PAY, UNWILLING TO WORK LONG HOURS, ETC."

Digital Talent Acquisition Initiatives

Large enterprises are overwhelmingly interested in having access to an on-demand library of digital marketing classes, with 78% saying this would be a very valuable or somewhat valuable tool to them.

Sixty-seven percent say the same about customized eLearning on digital marketing skills, and 69% anticipating value in in-person workshops and training.

Similarly, agencies also believe they will find value in these tools. 76% say that access to an on-demand library of classes would be valuable to them, 72% say the same about customized eLearning and 65% place value on in-person workshops and training.

This high level of interest among both agencies and enterprises suggests that the market may be underserved by existing digital marketing education offerings. Organizations may have a general lack of awareness regarding these offerings, or they may feel that what currently exists does not adequately address their needs.

76% SAY THAT ACCESS TO AN ON-DEMAND LIBRARY OF CLASSES WOULD BE VALUABLE TO THEM.

ONLINE MARKETING INSTITUTE

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