



# 20 | What's Next in 22 | Digital Marketing?

*DIGITAL MARKETING INDUSTRY REPORT*



A man with short dark hair and a beard is smiling while looking at a laptop screen. He is wearing a light-colored button-down shirt. The background is dark and out of focus.

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A group of four people (three men and one woman) are seated around a table in a meeting. They are looking at documents and devices on the table. The image is dark and semi-transparent, with a blue tint. A white bar is visible on the left side of the image.

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# KEY TAKEAWAYS

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The global pandemic affected us all in 2020, changing how the world functions. Business owners struggled with the sudden changes in sales, marketing trends, and advertising, and this led to the evolution of how we see marketing today.

The first **Digital Marketing Study conducted in 2021** gave us a better understanding of the challenges businesses faced, and the digital marketing trends and strategies developed as a result of the findings. As new marketing strategies and digital best practices continue to shift due to the rapidly changing digital landscape, we surveyed 99 marketing and business professionals again to assess the current and future state of digital marketing for 2022.

Take a closer look at the data in the report to understand the next big digital trends, how businesses will use them in their 2022 marketing plans, as well as what factors will shape the marketing sphere in 2022.

Here's a quick look at our survey's key findings.

**1** COVID-19 continues to affect businesses' digital marketing strategies.

**2** Outsourcing is an increasingly attractive option for businesses experiencing resourcing challenges.

**3** Paid media is the top marketing solution for businesses looking to stand out from competitors and gain new customers.

**4** Social media and videos are projected to be the top content strategies for reaching a business's target audiences.







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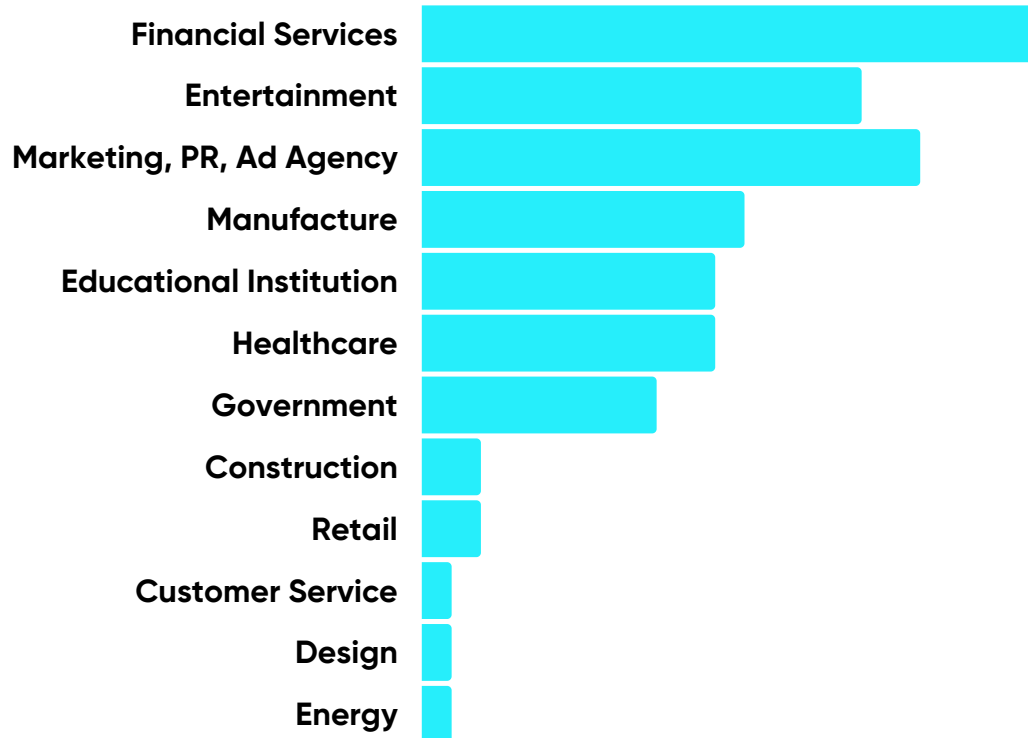
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# MARKETING TEAMS AND STRUCTURES

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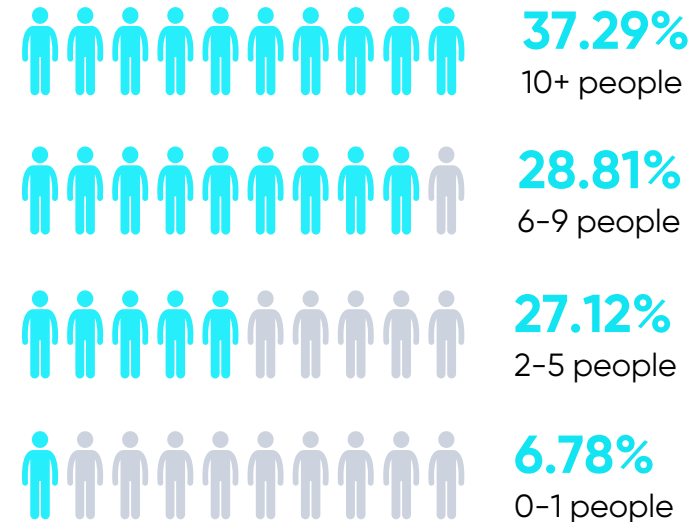
Businesses across several industries, with a variety of marketing team sizes and make-ups, participated in the survey.

A majority (79%) of respondents are professionals in Marketing, Sales, Management or C-Suite and come from the following industries:



The biggest shift in the team structure of businesses has been the expansion of their marketing teams. Compared to 2021, where only 9.8% of teams had more than 10 members, over 37% of teams in 2022 are expected to have 10+ members. To compete in the digital age and the COVID era, businesses had to adapt a variety of digital activities; It's only logical that **marketing teams have grown in size to accommodate the skills and resources needed to achieve results.**

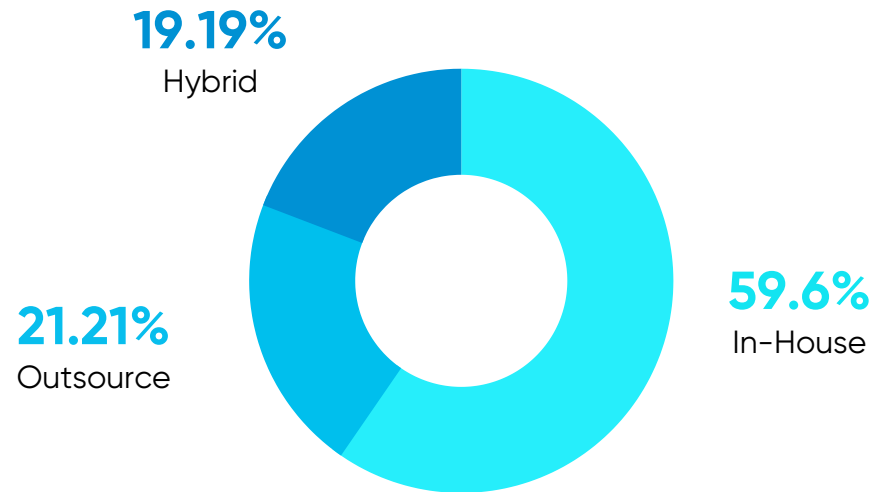
The average marketing team size going into 2022 is:



Almost 60% of businesses are managing their marketing in-house, which remains consistent year over year, with 61% of businesses managing their marketing in-house back in 2021.

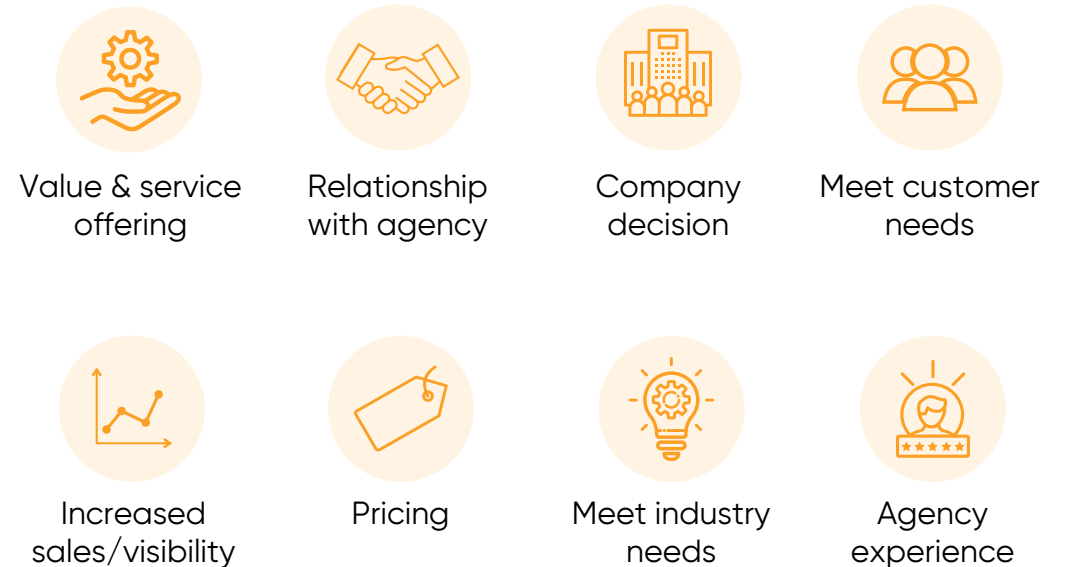
**There will be an increase in the number of businesses that will outsource their entire marketing efforts in 2022 (21.21%), compared to the 4.9% in 2021.**

**The number of businesses outsourcing their marketing in 2022, vs in-house is comprised of:**



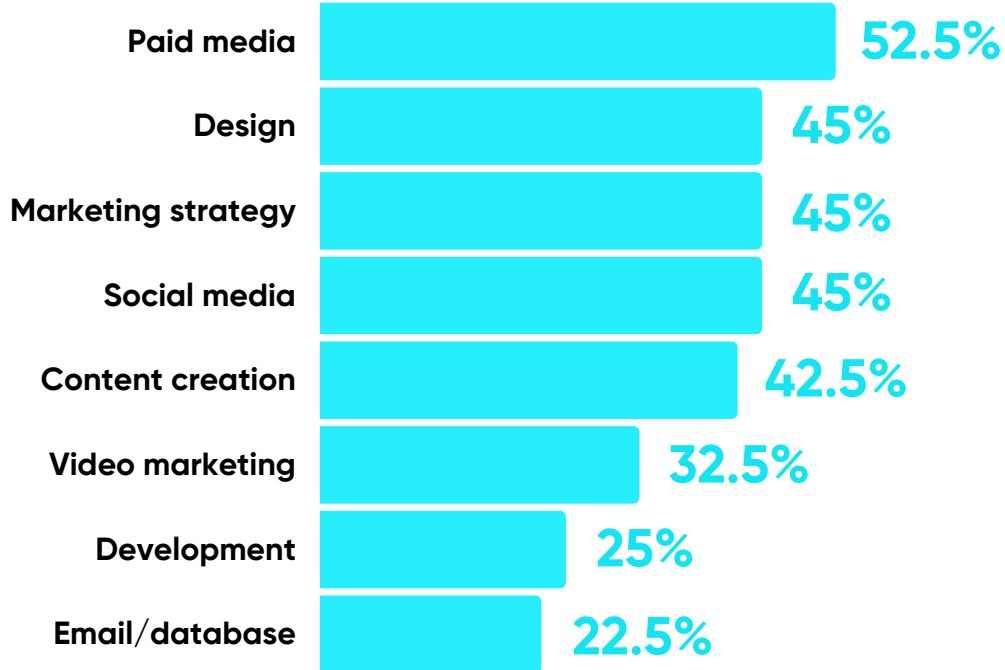
Due to the competitive environment, businesses need a wide variety of marketing expertise (whether through internal or external resourcing) in order to build a well-thought-out approach that meets consumer expectations. This is why survey results indicate that the **value and services the agency can offer are the most influential factors when choosing an agency.**

**Top factors that influence a business's decision to choose their current agency:**



Top projects businesses will outsource include **paid media, design, marketing strategy, and social media**. As might be expected, outsourcing is useful and more common for projects that require highly specialized skills from an expert, like paid media management, or time-intensive projects like a comprehensive 2022 marketing strategy.

**The type of projects businesses have outsourced/plan to outsource to a digital agency include:**



Marketing agencies offer businesses a variety of options that can be tailored to their specific business goals. Some businesses may require the skills of an expert for a specialized one-off project or they may choose a retainer agreement to support internal resourcing issues.

Fifty-five percent of businesses are outsourcing their special projects to agencies in order to hire marketing specialists for tasks such as developing marketing strategies or creating videos.



After a tough year, businesses are looking for the most cost-effective marketing methodologies to achieve their business goals. **Increasing conversion rates and expanding reach in a cost-effective manner** are the main reasons why businesses will outsource to agencies in 2022.

**Top outsourcing needs and agency requirements for businesses in 2022:**

- 1 Savings for the business**
- 2 Help to expand reach and conversions**
- 3 Ability to pivot and provide support as business needs change**
- 4 Industry knowledge and expertise**
- 5 Provide services that we don't have the skillset for internally**





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# MARKETING AND INDUSTRY CHALLENGES

# TOP MARKETING CHALLENGES

Our respondents said **the biggest challenge for them in 2022 will be gaining new customers and increasing sales.** In the context of coping with the pandemic and the continuously changing competitive business environment, gaining new customers and increasing sales were likely expected to be the biggest challenges for businesses in 2022.

TOP MARKETING CHALLENGE:

## GAIN NEW CUSTOMERS



Interestingly, the biggest challenges identified in our Survey Report for 2021 were lack of resources and lack of brand awareness. These challenges reported last year have prevented brands from reaching the largest audience, therefore creating the new challenge of attracting, retaining, and obtaining new customers in 2022.

According to the survey respondents, they are using paid media, increasing their budget, and utilizing social media to overcome the challenge of gaining new customers.

“

Ensuring a constant source of lead generation.

“

Each of my clients is different and presents a different set of challenges.

### Resources and solutions to gain new customers:

- Paid media/ads
- Increase marketing budget
- Social media
- Videos
- Influencer marketing
- Provide better content

**Keeping up with marketing trends and industry needs** is the second biggest marketing challenge for businesses in 2022. The rapidly changing market and the introduction of new trends may make gaining new customers and increasing sales more difficult than ever before, which is why gaining new customers is the number one marketing challenge for businesses in 2022.

“

Setting up more marketing automation.

“

Launching an email marketing strategy.

Businesses will use paid media and unique marketing tactics like influencers to ensure their messages are reaching their audience, and are using metrics to help make data-driven decisions on where to allocate their budget across marketing channels.



**Resources and solutions to keep up with marketing and industry needs:**

- Place more ads online
- Innovative marketing strategies
- Use metrics to allocate budget
- Outsource to save money
- Use automation
- Continue to educate



# TOP INDUSTRY CHALLENGES

According to many respondents, the biggest challenge in their industry going into 2022 is the **high level of competition** followed by the **COVID-19 pandemic**.

## TOP INDUSTRY CHALLENGE:

# HIGH LEVEL OF COMPETITION



More and more [businesses] are joining the [market].



Everyone is constantly innovating.

Last year, the COVID-19 pandemic posed the largest challenge for businesses. COVID may no longer be the top industry challenge, but it remains a prominent factor as new variants emerge to influence consumer behavior.



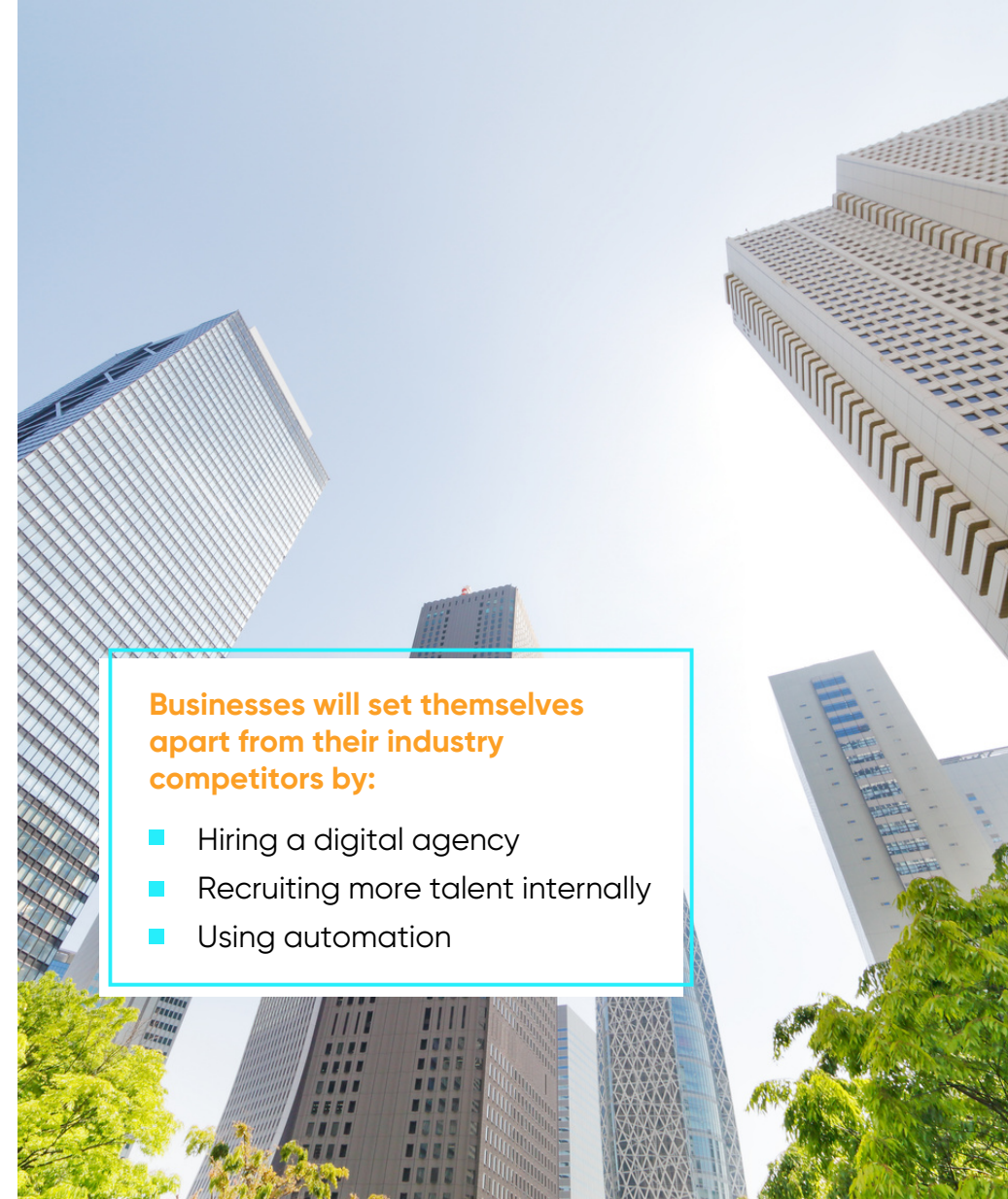
Coming back to life after Covid.



The economic weakness of the pandemic.

**Businesses will set themselves apart from their industry competitors by:**

- Hiring a digital agency
- Recruiting more talent internally
- Using automation





# THE CONTINUED IMPACT FROM COVID-19

As mentioned earlier, businesses found it difficult to keep up with the constant changes caused by COVID-19 last year. From budget and consumer spending concerns to the ongoing shift to online functions, COVID-19 had an impact on many businesses and their marketing decisions.

Our study this year found that many respondents are still feeling the effects of COVID-19. **The constant fluctuations due to the pandemic make it difficult for businesses to remain flexible and make long-term decisions.** Businesses will have to adapt as the business environment continues to shift.



The impact of the pandemic has not passed and continues to affect the industry this year.

In response to the COVID-19 pandemic and its resulting challenges, businesses have experimented with a range of marketing strategies. As businesses seek to reach as many customers as possible, they are utilizing new platforms in order to do so.

COVID-19 also emphasized the need for digital marketing with more people online than ever before. An increase in paid media budget is a great way to stand out from competitors and gain a larger audience.



## How businesses have adapted their marketing strategies as a result of COVID:

- Enter new platforms
- Increase paid media budget
- More social networking platforms
- Video messaging
- Remote vs face to face conversations
- New technology
- Focus on SEO
- More interactive content

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# MARKETING GOALS

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**Target new customers remains the top marketing goal** reported by our respondents, with 28.8% of businesses looking to expand their customer base in 2022. This goal can be attributed to the fact that gaining new customers and sales were said to be their biggest marketing challenge in the new year.

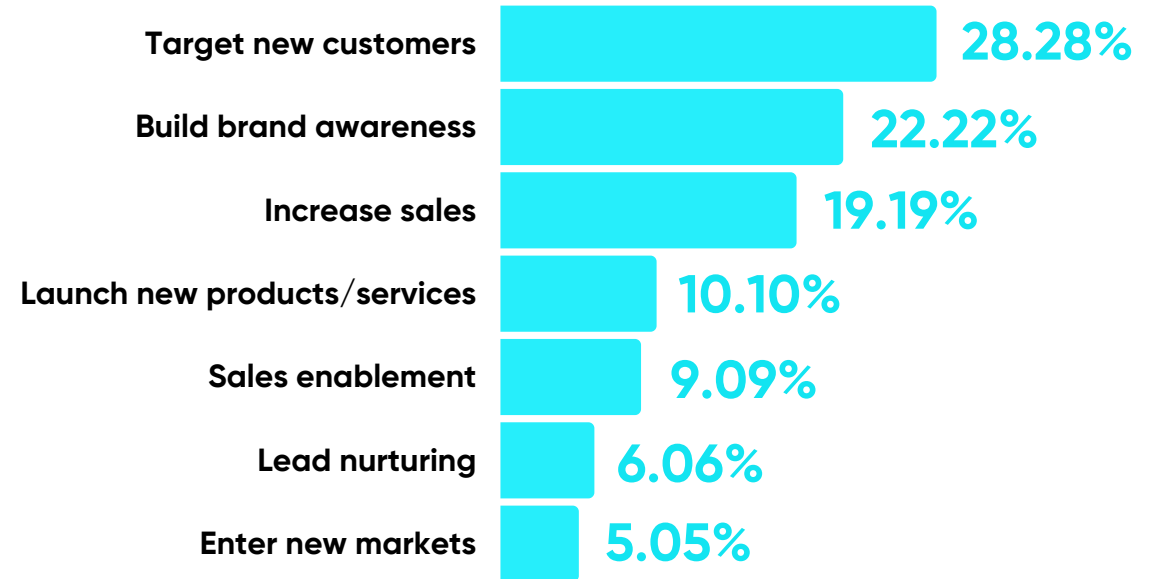
PRIMARY GOAL IN 2022:

**TARGET NEW CUSTOMERS**



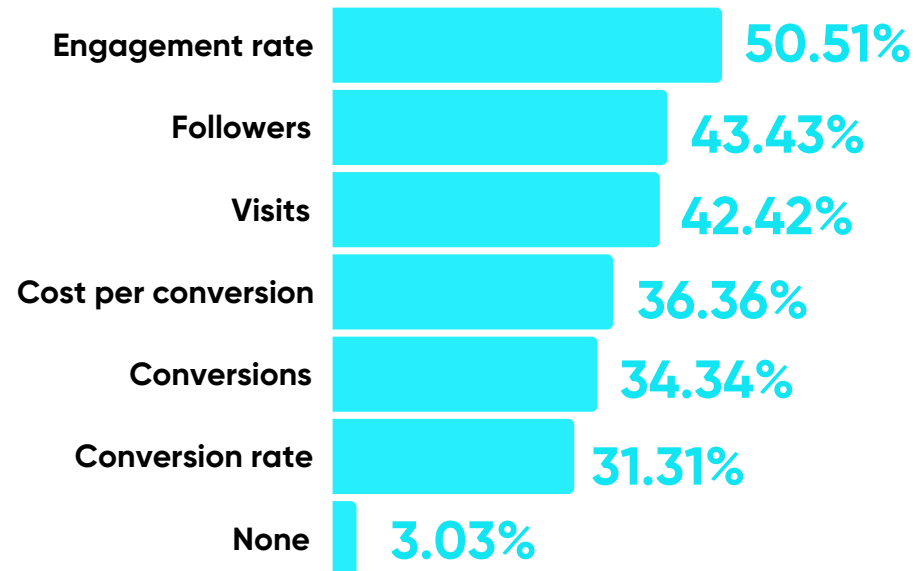
**Twenty-two percent of surveyors said building their brand awareness is their main goal, making it the second-largest priority for businesses in 2022.** This is a big increase from the 9.8% who reported brand awareness as their primary goal in 2021. The impact of COVID-19 as well as the increasingly competitive environment noted earlier has prompted a growing need for brand awareness. Businesses are looking to focus more on creating brand awareness to curb competition, which will also help them reach their first primary objective of attracting new customers.

The primary goals for businesses in 2022 include:



With businesses striving to reach their 2021 goals, it's obvious they have realized the significance of metrics and data-backed results for measuring success and forming recommendations for their goals and strategies in 2022.

The metrics businesses will use to measure success in 2022 include:





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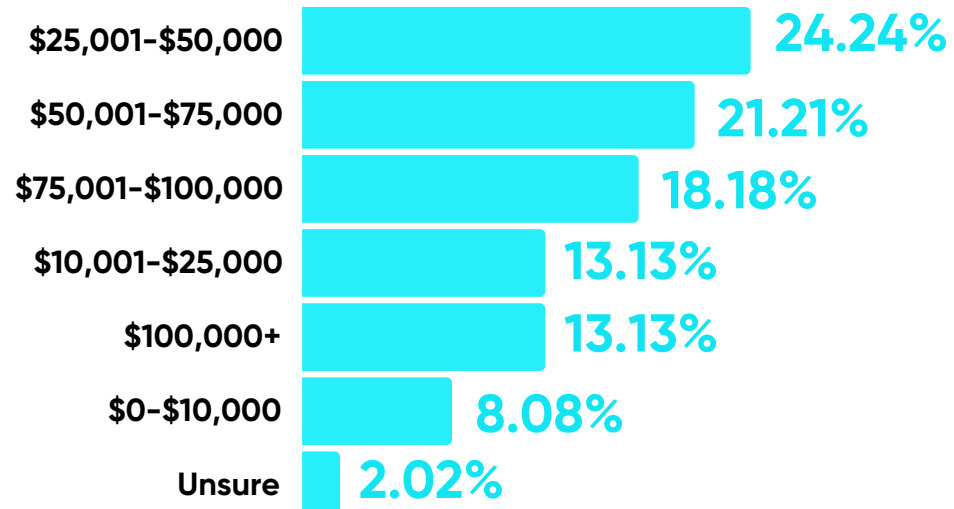
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# MARKETING BUDGET

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Nearly 24% of surveyors said they expect their total marketing budget for 2022 to be between \$25,001 and \$50,000.

Anticipated marketing budget for 2022 (including paid media budget):




A majority of businesses in 2022 will have a total marketing budget of

**\$25,001-\$50,000**



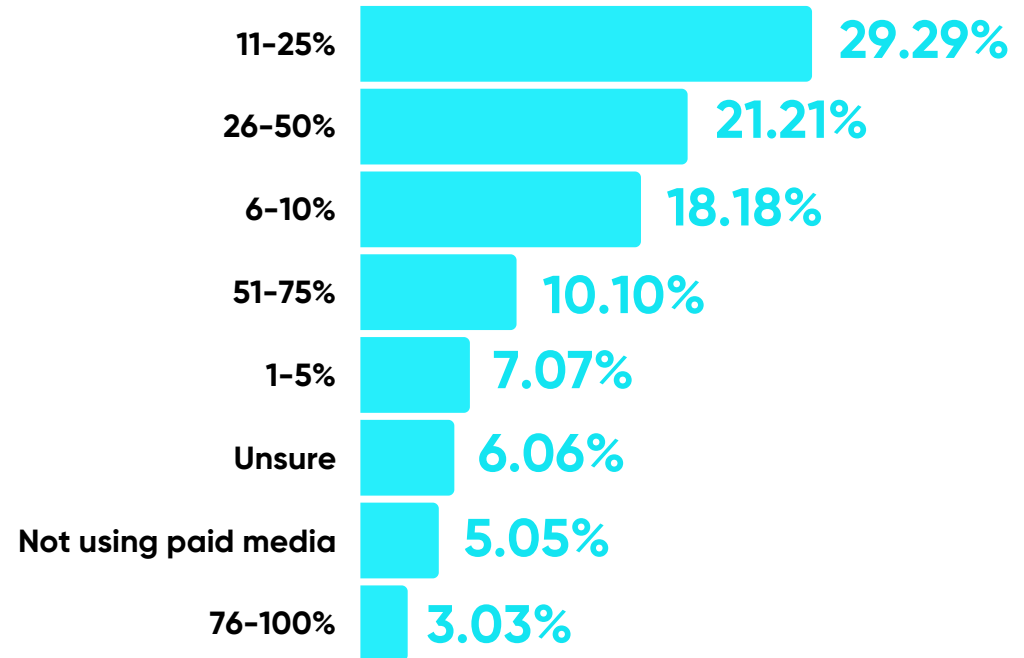
In addition, the majority of respondents **(29.9%) expect paid media to consume 11-25% of their total budget.** This is a reliable benchmark for businesses that aren't sure how much budget they should set aside for paid media.

**11-25%** of total marketing budget will be put towards paid media



In last year's 2021 Survey Report, almost 54% of respondents indicated they were unsure what their anticipated paid media budget would be. With only 6% of respondents not knowing their paid media budget for 2022, it is safe to assume competitive positioning is a priority for businesses, making paid media a critical part of their marketing strategy.

**Percentage of the budget that businesses anticipate spending on paid media:**





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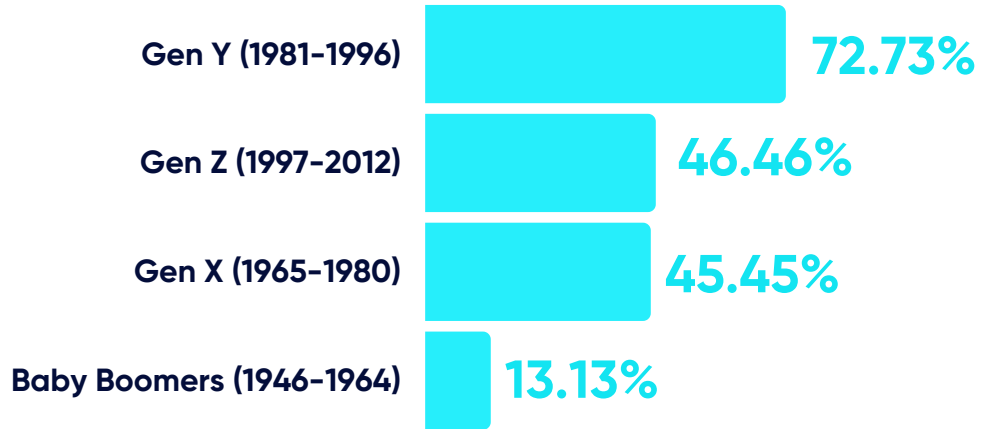
# MARKETING STRATEGY AND FOCUS



# MARKETING STRATEGY AND FOCUS

Almost ¾ of businesses surveyed said that they will target Generation Y (Millennials) in the upcoming year. Despite Generation Z's growing market presence, **marketers and business leaders are still looking to Millennials for influence on business decisions.**

Percentage of the primary target audience for businesses in 2022:



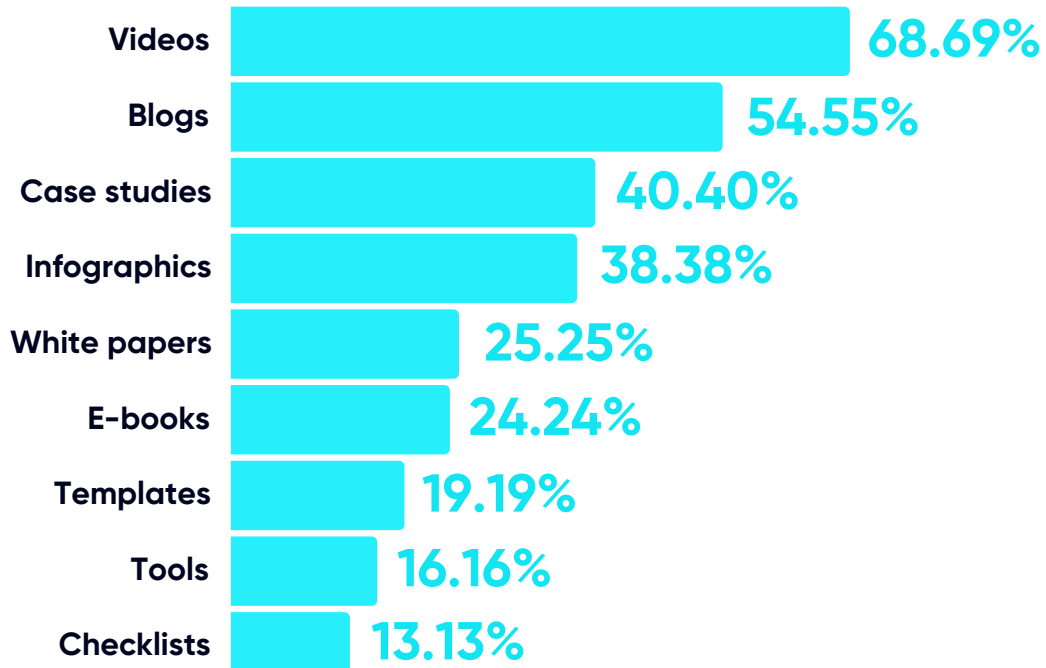
PRIMARY TARGET AUDIENCE IN 2022:

**GENERATION Y (MILLENNIALS)**



**Almost 70% of businesses surveyed said they will use videos in 2022** to reach their target audience. It's imperative that businesses targeting Millennials and Generation Z create content, such as short-form video content and social media stories, that historically resonates with the younger audience.

**Percentage of content businesses plan to use in 2022 for reaching primary audience:**



As a result of enhancing their digital presence, businesses are adapting well to many new marketing trends, such as short-form video content, social media stories, and virtual events.

However, results show that only a few businesses are leveraging user-generated content in their strategies. Considering how user-generated content can be an inexpensive short-form video option, it's unusual that this trend remains relatively untapped by most businesses.

**Percentage of marketing trends businesses have started to use:**



The majority of businesses indicate that **Artificial Intelligence (AI) is the latest trend that has impacted their existing marketing strategy.** AI and automation have revolutionized marketing, so it isn't surprising that this trend has affected businesses in some way—whether it's an innovation they embrace or struggle to adopt.

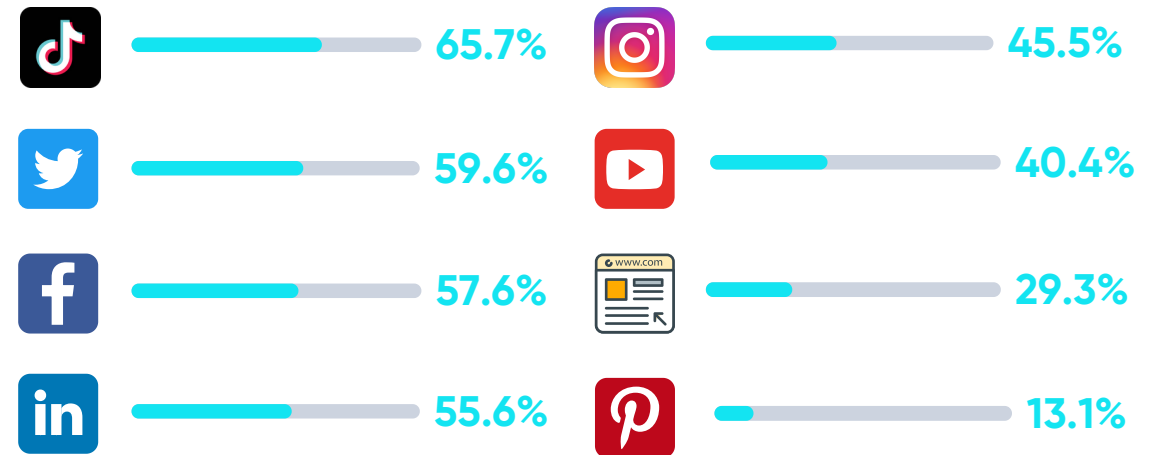
**Marketing trends and industry changes that have impacted the business's existing marketing strategy:**

- 1 Artificial intelligence
- 2 Third-party cookie ban
- 3 Hybrid/virtual events
- 4 Short video marketing
- 5 Remote work
- 6 Privacy updates and increased restrictions

**TikTok is the most popular social media channel among businesses,** according to our results. As the fastest-growing social network service for video content, TikTok is the best resource for businesses seeking to add short-form video content to their marketing strategy.

Despite being a popular platform for social media stories and videos, it's surprising that Instagram doesn't rank higher on the list of preferred social media platforms.

**Top social media channels businesses are using to reach their target audience in 2022:**



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# MARKETING TOOLS





# MARKETING TOOLS

**Businesses are focusing more on social media and video marketing tools this year.** This is likely due to the fact that social media-related trends (video content, social media stories) are the top content choices for businesses to adopt.

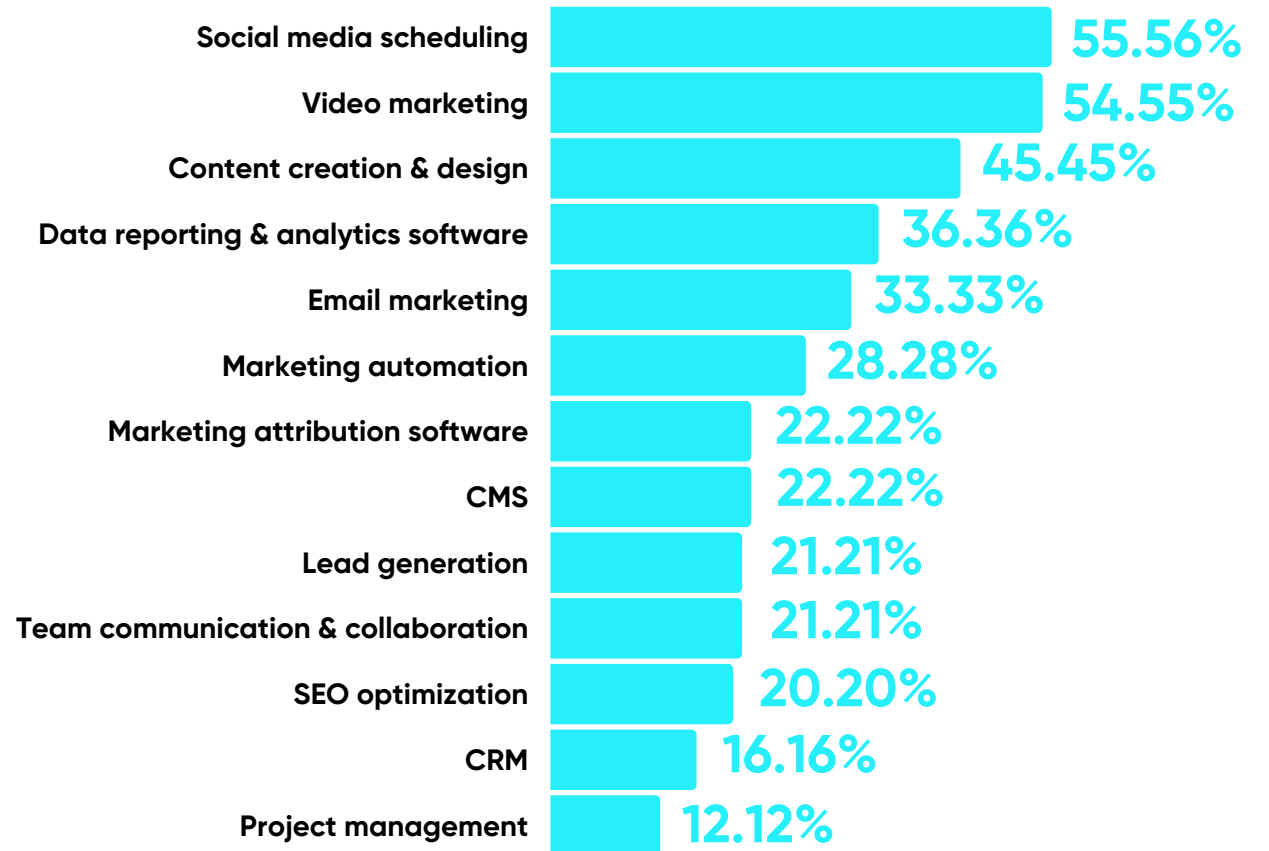
Social media scheduling usage increased by 21.46% YoY, while the usage of video marketing tools increased by a whopping 35.5% YoY.

Considering gaining new customers is the primary objective of most businesses in 2022, we find it surprising that only a small percentage of lead generation marketing tools are being used.

Businesses should have a **mix of tools and technologies** to maximize their marketing success.



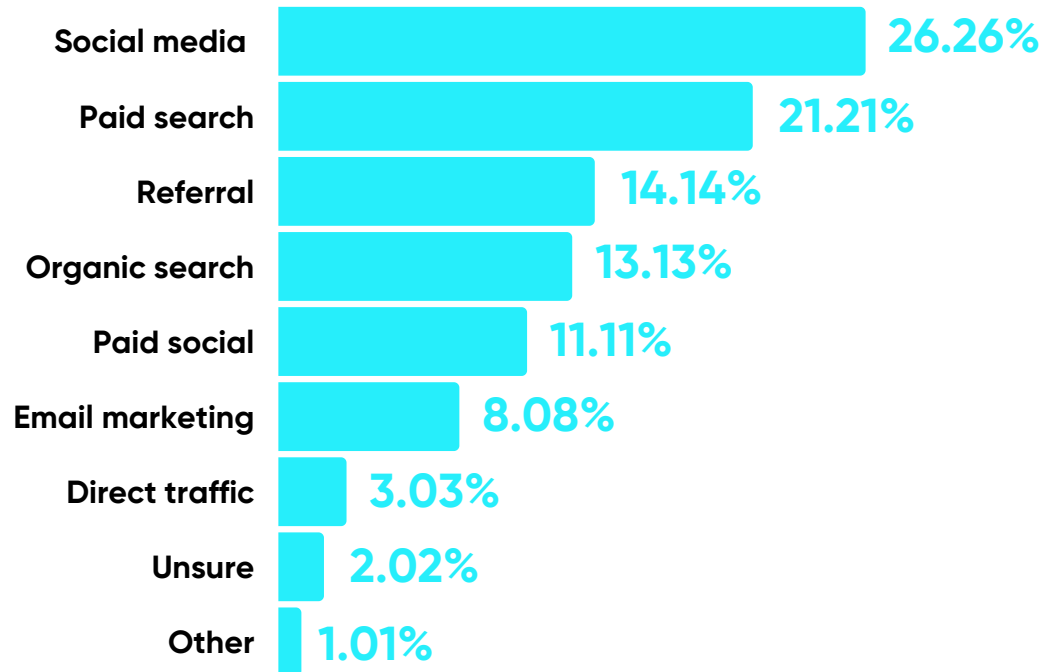
## Top marketing tools businesses will use in 2022:



Over **26% of businesses will use social media as a lead generation tool**, which is not surprising since a large percentage of businesses are using, or plan to use, several social media channels in their 2022 marketing efforts.

**Paid search (21.21%) is next on the list of preferred methods of generating leads.** This correlates to businesses increasing their paid media budget as part of their new marketing strategy to compete and reach their target audience as a result of COVID-19 challenges.

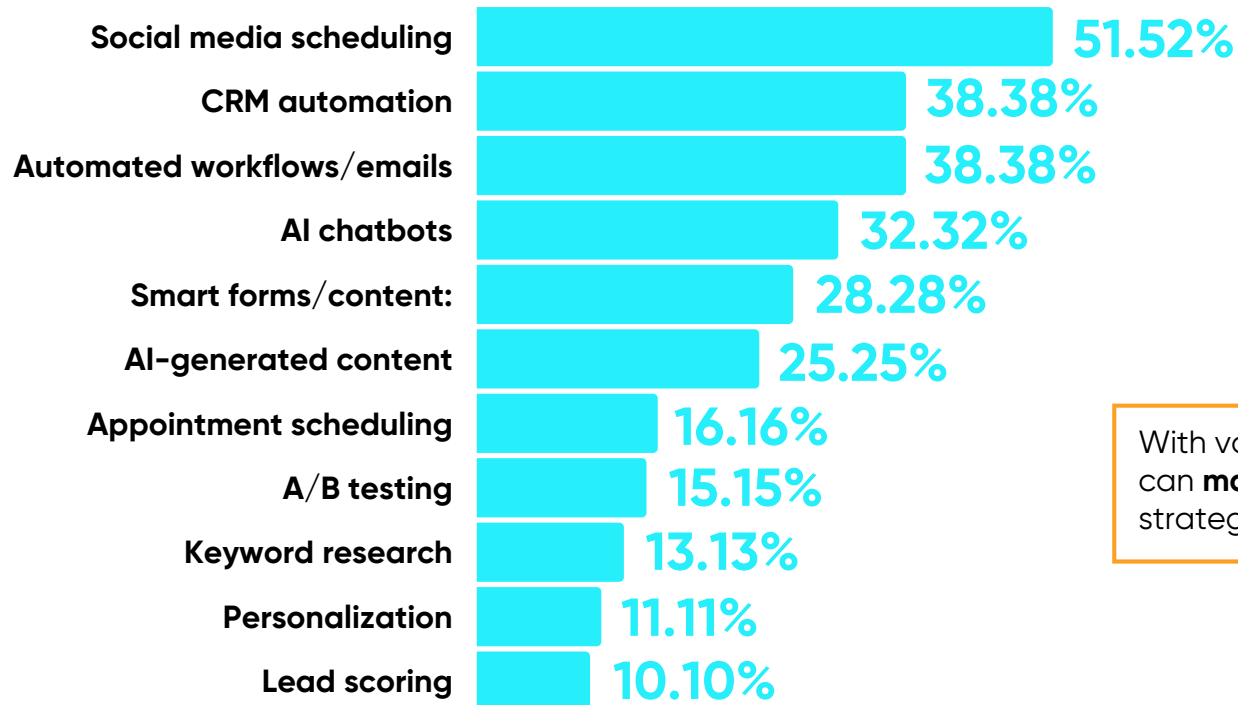
**Percentage of lead generation platforms businesses will use in 2022:**



With social media projected to be one of the most significant marketing efforts in 2022, businesses will use social media scheduling as a marketing automation tool to help manage their platforms, streamline their processes, and save time.

Other automation tools, however, are not used to the same extent. As mentioned earlier, AI is an industry change that has impacted many businesses, which may consequently be why businesses are having a difficult time adapting to automation tools like automated appointment scheduling, or lead scoring.

### Automation tools businesses will use in 2022:



With various automation tools, businesses can **maximize the impact** of their marketing strategy **with fewer resources**.



A woman with long blonde hair and glasses, wearing a white blouse and a dark pleated skirt, is standing and presenting to a group of people in a meeting room. She is gesturing with her hands. The background is a blurred office environment with other people seated at desks.

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# CONCLUSION



## CONCLUSION

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COVID-19 continues to impact businesses. These continuous changes and challenges due to the pandemic have led some businesses to adapt by outsourcing their higher-skilled marketing tactics to digital agencies to help gain a competitive edge in the digital world.

Paid media is clearly becoming a widespread resource for businesses to increase their reach and gain more customers and therefore have made paid media a big portion of their marketing budget in hopes to stand out and convert.

The pandemic has led to an increase in the use of online platforms, with businesses increasingly relying on video content and social media as their primary content strategies to engage with their target audiences online.



Pyxl is a collection of creatives on a passion and results-driven mission to design, write and code custom digital marketing solutions not just for our clients, but for their clients. We're where the right brain meets the left brain and our strategy-based services are built on real relationships, not egos.

### NASHVILLE

1310 Clinton Street  
Suite 219  
Nashville, TN 37203  
615-647-6792

## ABOUT PYXL

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Pyxl is a 14-year award-winning digital agency with a focus on driving business growth and results. We provide all-in-one marketing services and solutions across your project lifecycle and specialize in enterprise-level website development, branding, and design.

LET'S TALK!

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