

2023

Latvian

Marketer's

Toolkit

Noticing new opportunities

norstat **WKND** **Delfi**

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Introduction

Good Things Come in Threes – the third Latvian Marketer's Toolkit is here. It not only sounds good, but is also valuable. Three metrics already provide higher reliability, allow conclusions to be tested and trends to be identified more clearly.

The three themes in which we are looking at the vector for marketing development are mood, team organisation and trends in strategy and choice of channels. Alongside these are two completely new themes – the role of artificial intelligence in marketing and changing brand identity.

This year, the overall marketing mood has improved. Despite the recessionary signals, the teams have adapted and found a way to continue achieving their goals. In several respects, Latvia's marketing approach is changing moderately – during the past three years, the big trends, KPIs and channels have changed relatively little. However, we are aware that teams are different, so this year for the first time we analyse in detail the difference in marketing between differently sized companies.

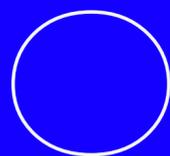
This year, 200 marketing professionals took part in the study and 10 marketing experts commented on the topics in more detail. However, the review will be valuable not only for the teams that took part, but for every marketing professional and trainee in Latvia.

Main findings and conclusions

<p>1 Tragic optimism</p>	<p>2 Rebranding - "the elephant in the room" for marketers</p>	<p>3 You (don't) need a strategy</p>	<p>4 Artificial intelligence (AI) is more complex, but more valuable than it looks</p>	<p>5 Better one real customer than a pair of curious eyes</p>
<p>Marketing professionals have accepted that the macroeconomic shocks are not temporary and that a longer period of declining purchasing power and inflation should be expected.</p> <p>New tools and approaches need to be found that will be effective in the long-term. Short-term consumer promotions are still relevant, but cannot be the only tool to retain consumers' attention.</p>	<p>The motivation to change brand identity is primarily externally driven and often delayed.</p> <p>The process is seen as quite resource-intensive and marketing teams need a long period to "work up to" it. External factors such as channels and changes in customer tastes can accelerate this.</p>	<p>Small and large companies have different marketing packages at both strategic and tactical level.</p> <p>A needs audit is required along with consultation with similar companies.</p> <p>Techniques and tools praised in marketing festivals and courses are inspiring, but are often based on examples from other markets/ differently sized companies and are not appropriate for every stage of a company's development.</p>	<p>Virtually everyone has tried AI and ChatGPT is a window into the world of AI, but many have faced challenges when it comes to using it in a meaningful way.</p> <p>You have to understand that there are a lot of AI tools, and every day something new appears.</p> <p>The focus should be on specialized tools tailored to specific needs, only a small minority have tried them, and the potential is untapped.</p>	<p>In the mass media, there are a number of challenges - advertising position inflation (hence a smaller audience for the existing budget), changing audience habits, fragmentation of consumption.</p> <p>Now marketing professionals have the need (and maybe the time) to turn their attention inwards, to their own channels.</p> <p>Now is the time to work on loyalty, social media, content to retain customers, deliver high-class service, and offer additional services.</p>

1

Tragic optimism



Marketing professionals have accepted that the macroeconomic shocks are not temporary and that a longer period of declining purchasing power and inflation should be expected.

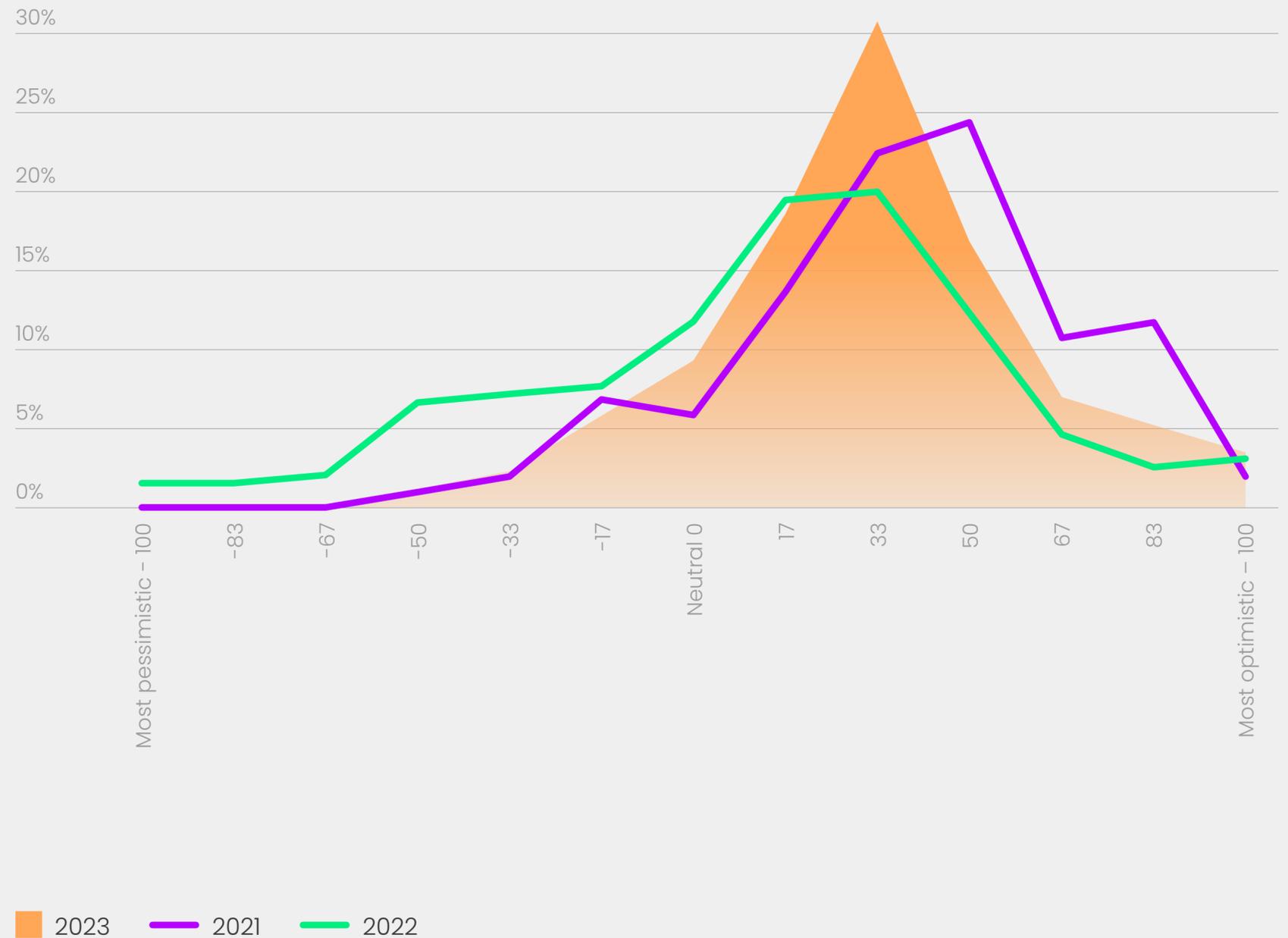
New tools and approaches need to be found that will be effective in the long-term. Short-term consumer promotions are still relevant, but cannot be the only tool to retain consumers' attention.

Rising level of optimism, almost reaching the level of 2021

We compile the optimism index based on 3 indicators:

- Assessment of changes over the previous 12 months
- Assessment of changes over the next 12 months
- Changes in marketing budgets over the next 12 months

Breakdown of marketing professionals as per the Optimism Index, and changes to the index



Source: Survey of marketing managers, September 2021–2023

Positive forecasts and marketing budget

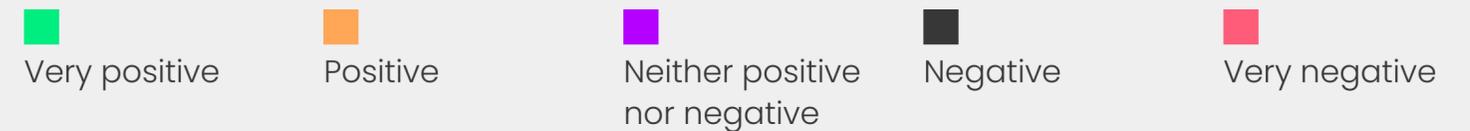
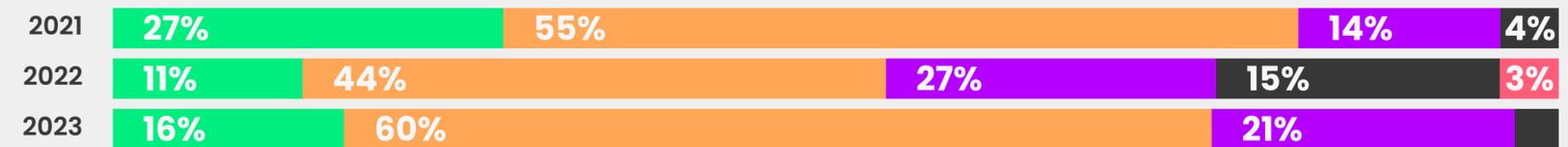
Overall, 76% of marketing professionals view the future positively, while only 3% view it negatively.

41% expect marketing budgets to increase, while 50% think they will remain the same.

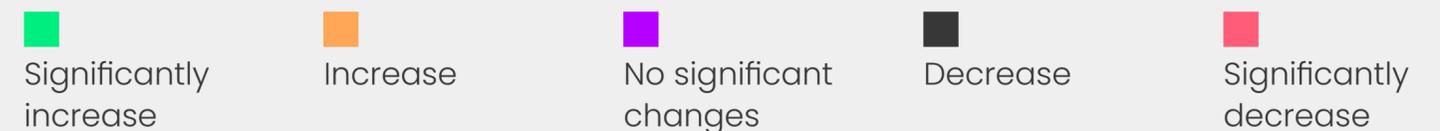
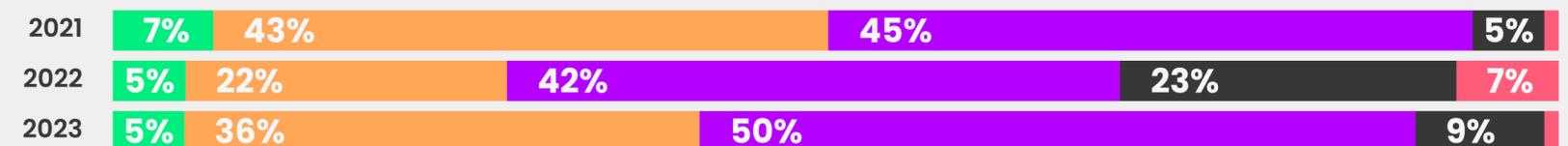
How do you generally feel about... the changes in your company over the past 12 months



.. The potential development of your company over the next 12 months



How will your marketing budget/resources available for marketing change over the next 12 months?



Source: Survey of marketing managers, September 2021–2023

Optimism

Cross-section of industry and business types

The level of optimism varies from industry to industry.

- The most positive assessment of the marketing situation is in the transport and logistics sector
- Production/agriculture and manufacturing industries are relatively positive
- The most critical opinions are in the consulting and services sector, and in the arts, entertainment and sports sector
- Large companies are relatively more positive, whereas medium-sized companies are more critical

	Optimism Index	Difference from the average
Construction, infrastructure and real estate	26.2	-
Production, agriculture, manufacturing	37.7	+
Retail and wholesale (incl. e-commerce)	32.2	=
Transport and logistics	52.1	++
Services for the public and businesses (finances, insurance and telecommunications, etc.)	30.0	=
Consultations and professional services (legal, account, etc.)	16.7	--
Art, entertainment, media and sport	23.1	--
Public, non-governmental organisations and public administration	27.1	-
Large (over 250 employees and turnover of more than EUR 50 million)	37.3	+
Medium (51-250 employees and turnover of EUR 11-50 million)	23.5	-
Small (up to 50 employees and turnover up to EUR 10 million)	31.6	=
Clients are mostly private individuals	30.3	=
Clients are mostly legal entities	34.1	=
The company works mainly for the Latvian market	30.7	=
The company works mainly for the export market	36.1	+

Source: Survey of marketing managers, September 2023, n=173

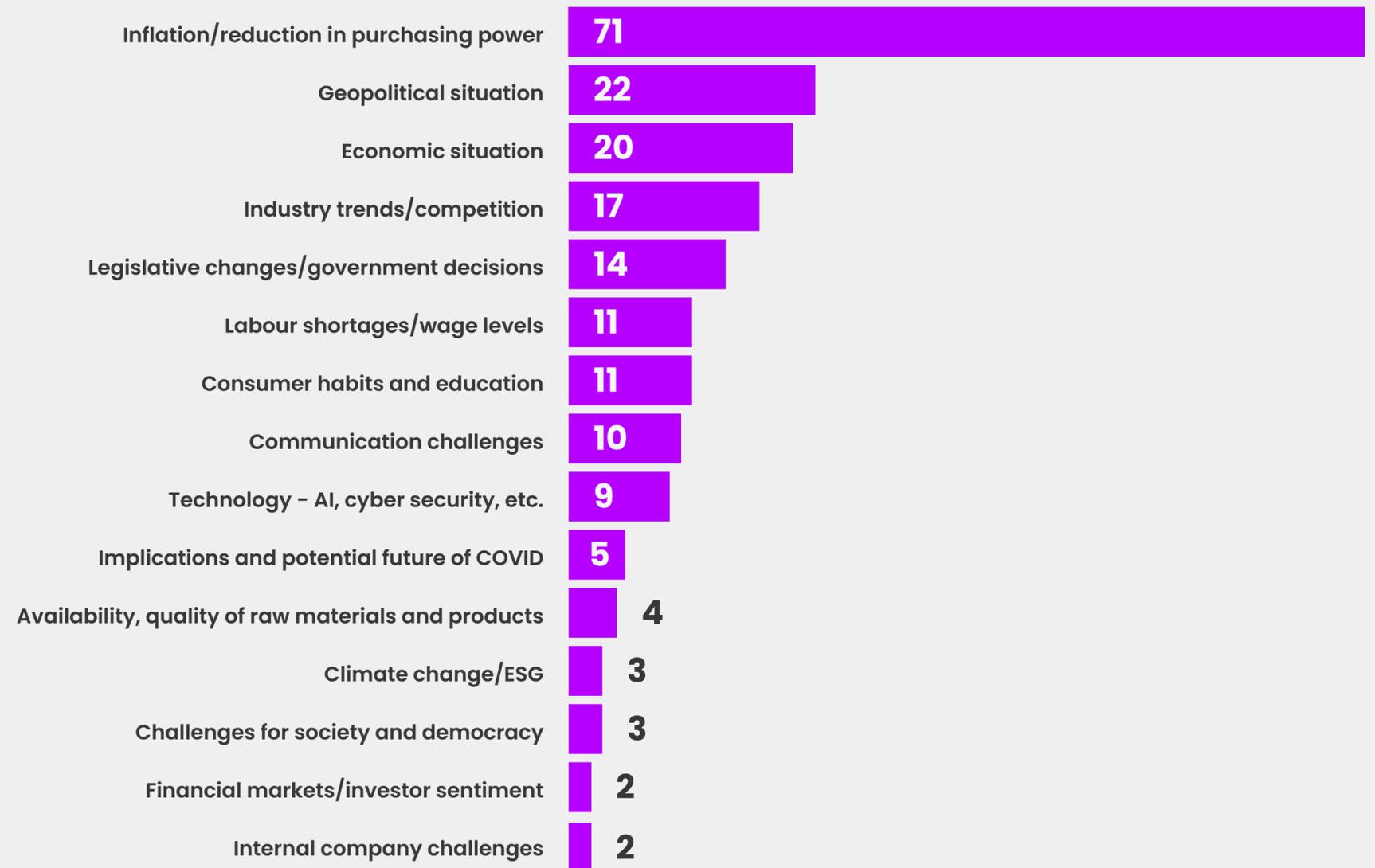
What are marketing teams concerned about?

This year, for the first time, we asked marketing professionals in an open-ended way about developments that concern them and, clearly, macro developments are the ones preoccupying the minds of marketing managers. The three most frequently mentioned developments of relevance to the 2024 strategy are: inflation and declining purchasing power, the geopolitical situation and the economic situation.

There are also concerns about changes in legislation and government decisions, which are likely to prevent future plans from being prepared in time before clarity has been attained about potential constraints in specific sectors.

But no one has revoked sector-specific factors. Industry trends and competitors, communication challenges, labour shortages, and the availability and quality of raw materials and products also preoccupy the minds of marketing professionals.

Please indicate which developments in the economy, society or elsewhere are of most concern/concern to your marketing team when developing your marketing strategy for 2024? (number of mentions)



Source: Survey of marketing managers, September 2023, n=173

What are marketing teams concerned about?

Quotes from the answers to the question, "Please indicate which developments in the economy, society or elsewhere are of most concern/concern to your marketing team when developing your marketing strategy for 2024?"

From economics and politics

- “ Purchasing power really has fallen during the past year.
- “ Indecisiveness!
- “ An economic crisis that keeps on coming, but never arrives.
- “ The rising cost of living, EURIBOR hikes and less free cash in customers' wallets.
- “ Legislation and changes in our sector, priorities set by new ministers.
- “ Rising cost of emergency payments.
- “ The actions of the Ministry of Energy and Environment, the existence of an energy crisis or overcoming it, and the action of the Ministry of Finance and Ministry of Economics.
- “ Unpredictability, inconsistency, etc. of legislators, decision-makers, civil servants and bureaucratic apparatus, which precludes the planning of certain actions to foster and implement development.

..to company-specific matters

- “ Purchasing costs of materials, availability of labour (especially blue-collar), higher total cost of ownership of the product, higher cost of employee branding, etc.
- “ It is increasingly about 'TikToks' and 'Relays', but that does not suit all businesses.
- “ We are concerned about the declining relevance of our product in the daily lives of users.
- “ Quite effective competitors' ads.
- “ The company has no marketing team.
- “ Changes in [our] industry, demand for products, identification of the right product groups.

Trends that will influence strategy

By offering a defined list of trends to assess, we have a broader range of developments influencing marketing strategy.

Economy themes will continue to be the primary focus for marketing strategies over the next 1-2 years. The economic recession and rising prices are the main factors that will be taken into account.

At the same time, online shopping, environmental sustainability and people's physical and mental well-being are also significant.

Which of these social and economic challenges are you going to take into account when developing marketing strategies for the next 1-2 years?



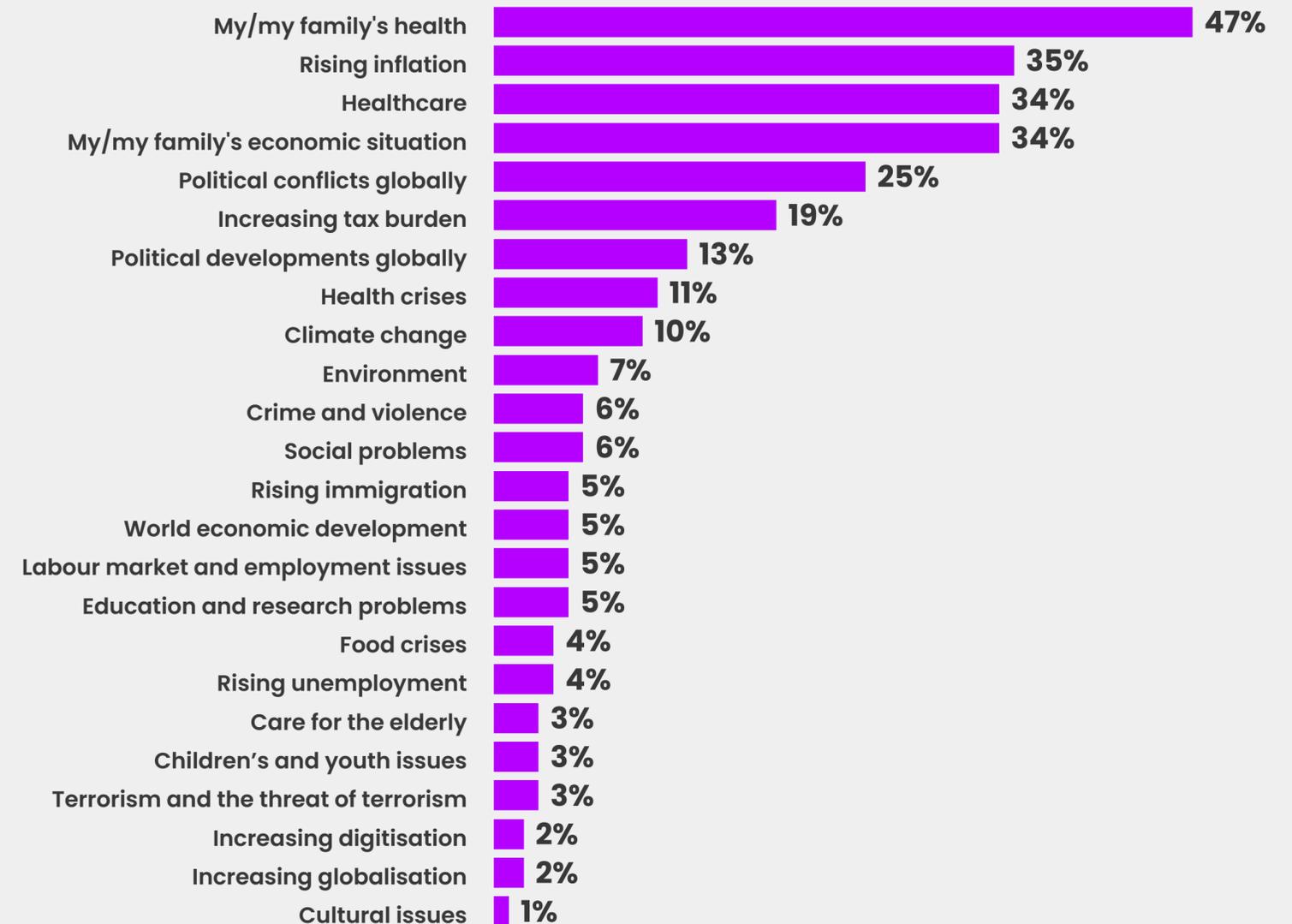
Source: Survey of marketing managers, September 2023, n=173

What worries citizens?

When we look at the data on what is worrying people in Latvia, we see a similar picture. The main causes for concern are macro issues: inflation, the economy, political conflicts, etc. The only private cause for concern is family health and the healthcare system.

Interestingly, a topic such as climate change, which marketers consider to be relatively important, is much lower down the list of priorities as far as the public is concerned. This shows that the challenge of calling attention to this major issue largely rests on the shoulders of business, the public sector and activists.

Which three areas of society are you most concerned about?



Source: Norstat Quarterly, 2023 Q3. Data for Latvia

Challenges

Changes compared to previous years

Trends that matter more: equal rights for societal groups and the age of short-term attention.

Consistently important: economic recession or instability, price rises in a wide range of consumer goods categories, the growing trend towards online shopping, environmental sustainability and responsible consumption, people's physical and mental well-being, the entry of Generation Z into the consumer and labour market, the ageing population, and polarisation of public opinion.

Becoming less important: rising geopolitical tensions, increased immigration for economic and political reasons.

In previous reports, we have highlighted that equal rights for groups in society is a topic that is much less significant for marketing in Latvia than for marketing teams globally. This year, we see that its importance has increased, influenced by public and political debate. Its importance is expected to continue growing in years to come.

This year, marketing professionals are less concerned about rising geopolitical tensions and increasing immigration, but here they should take note of changing world events. The survey was carried out before the events in Israel, so this trend could become relevant again.

Which of these social and economic challenges are you going to take into account when developing marketing strategies for the next 1-2 years?

Rank	2023	2022
Economic recession or instability	1	2
Inflation in consumer product categories	2	1
Growing trend of online shopping	3	4
Environmental sustainability and responsible consumption	4	3
People's physical and mental wellbeing	5	5
The age of the shorter attention span	6	8
Brand reputation risks and the context of appearance in the media/public	7	-
Generation Z becoming consumers and entering the labour market	8	7
Data security and online fraud risks	9	-
Growing geopolitical tension	10	6
Societal aging and declining population size	11	12
Equal societal group rights (by nationality, gender, sexual orientation, income)	12	15
Natural disasters and unpredictable weather conditions	13	-
Polarisation of public opinion	14	13
Growing immigration for economic and political reasons	15	10

Source: Survey of marketing managers, September 2023, n=173

Challenges

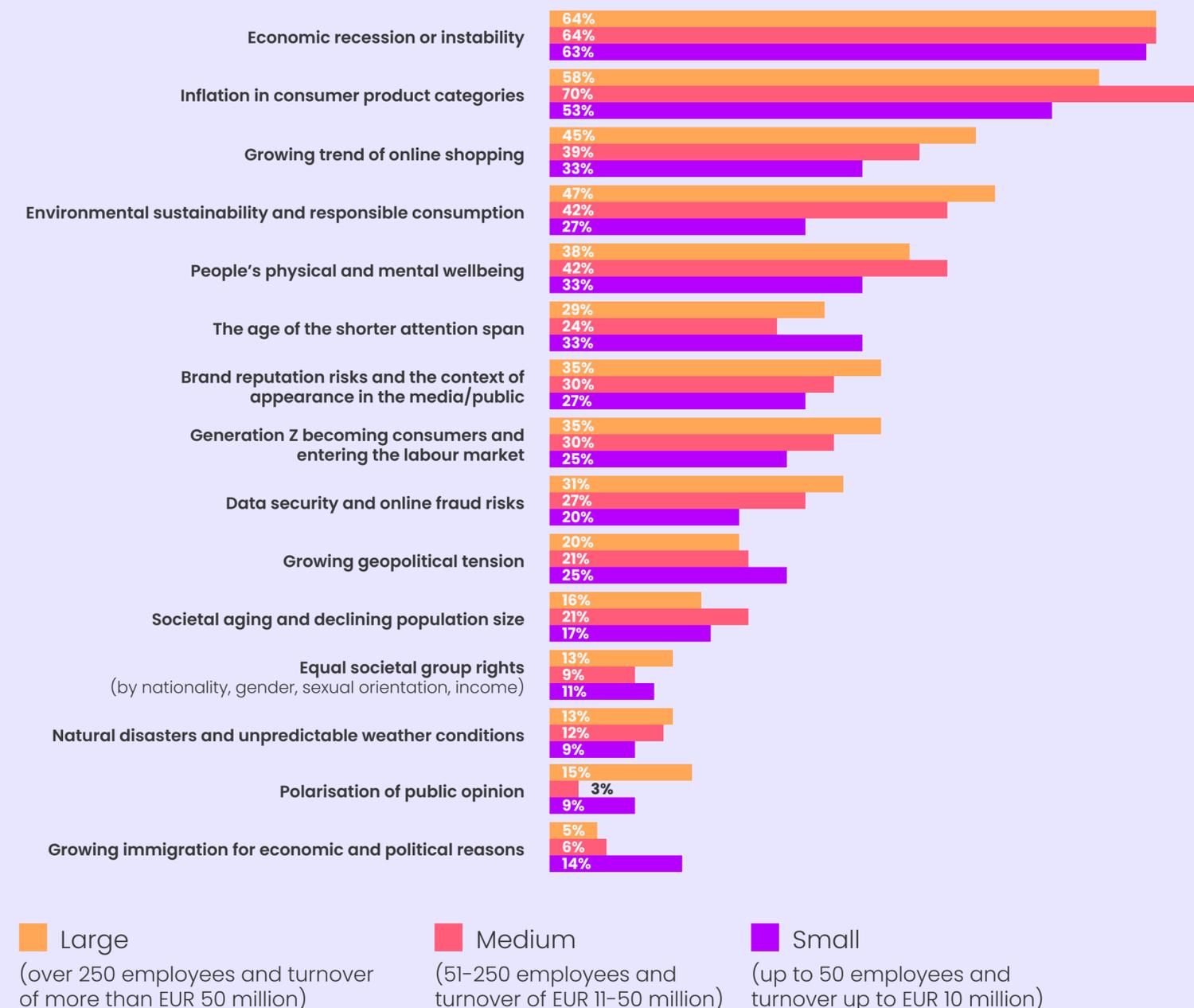
Cross-section of business types

Marketing professionals of large companies are more inclined to factor the growing trend of online shopping, environmental sustainability and responsible consumption, brand reputation risks, the entry of Generation Z into the labour market, data security and the polarisation of public opinion into their marketing strategies. Larger companies have more resources to fight the effects of inflation, so marketing teams can devote time to other issues.

Rising prices, people's physical and mental well-being, an ageing population and a declining population are all more important for **marketing professionals in medium-sized companies** when it comes to strategy development. These are perhaps the companies that are experiencing the fiercest competition for employees due to restrictions on investment in employer branding and fringe benefits.

Small business marketing professionals are more likely to consider factors such as the age of short attention spans, rising geopolitical tensions and increased immigration for economic and political reasons in their strategies.

Which of these social and economic challenges are you going to take into account when developing marketing strategies for the next 1-2 years?



Source: Survey of marketing managers, September 2023, n=173

Marketing professionals comment



Linda Ezero

Norstat Latvia

Managing Director



The global turmoil of recent years has had a major impact on consumers. Consumer behaviour patterns, preferences, opinions and attitudes have changed, posing serious challenges for marketing teams. We had to get to know consumers again, to understand what is and is not effective, what is and is not acceptable. This was challenging for all parties. We are now seeing that consumers are accustomed to changes and are becoming more predictable.

The survey of marketing managers also shows that marketing managers are noting more stability and predictability.

2022 was a tough year for businesses and consumers alike, as soaring costs reduced purchasing power. It was evident that the public was becoming more cautious about its spending and many people went into "stand-by mode". There was a sense of uncertainty, which slowly turned into cautious optimism.

Business sentiment metrics also improved and, as we see in the marketing managers' survey, compared to 2022, in 2023 marketing managers **also became more optimistic, recognising an opportunity for business growth in the coming year.** The forecast for growth in marketing budgets is also a sign of development plans. However, the experience of 2022 has left its mark and, naturally, the survey results show that marketing managers are very concerned about inflation and purchasing power when developing their strategies. In a way, it is positive that the Bank of Latvia's inflation forecasts for next year are quite optimistic, but at the same time, CEOs most likely view them with caution.

A survey of marketing managers shows that **marketing teams are increasingly focused on economic indicators.** However, marketing must not lose sight of the primary focus - the consumer.

Marketing professionals comment



**Aiga
Volksonė**

AS Citadele banka

Head of Marketing and
Corporate
Communications, Baltics



Looking at the developments that worry marketing professionals, I can calm minds a little about the decline in the public's overall purchasing power.

During the first 11 months of this year, we can see that people's spending power has not changed significantly – the total volume of purchases made with payment cards is rising compared to last year.

Although growth is close to matching inflation, the number of purchases and the amount of money paid for them are rising slightly faster than inflation.

There are sectors where it would appear that customer spending power is declining as **money is reallocated between different goods and services**. For example, between July and the end of September, the number of in-person purchases at restaurants rose by 10% compared to the same period last year. Meanwhile, ordering food remotely has grown even more, with a 19% rise in purchases. There has also been an increase in the amount of money spent by customers, with a 13% increase in spending in restaurants and a 25% increase in online purchases.

This growing interest cannot be attributed to the inertia of past events. It is driven by the development of the companies themselves – the most popular service providers are expanding their delivery network to include additional cities in the regions and outer Riga. In addition, new services are being introduced, such as monthly subscriptions for better delivery conditions and loyalty programmes.

However, there are also sectors where **online purchases have fallen significantly – including a 54% drop in the accommodation and 45% decline in mail order sectors**. Once again, this just goes to show that the right business strategy combined with a marketing strategy can find a way to earn more, even in such challenging times, when the cost of basic necessities is rising rapidly.

2

Rebranding – “the elephant in the room” for marketers

The motivation to change brand identity is primarily externally driven and often delayed.

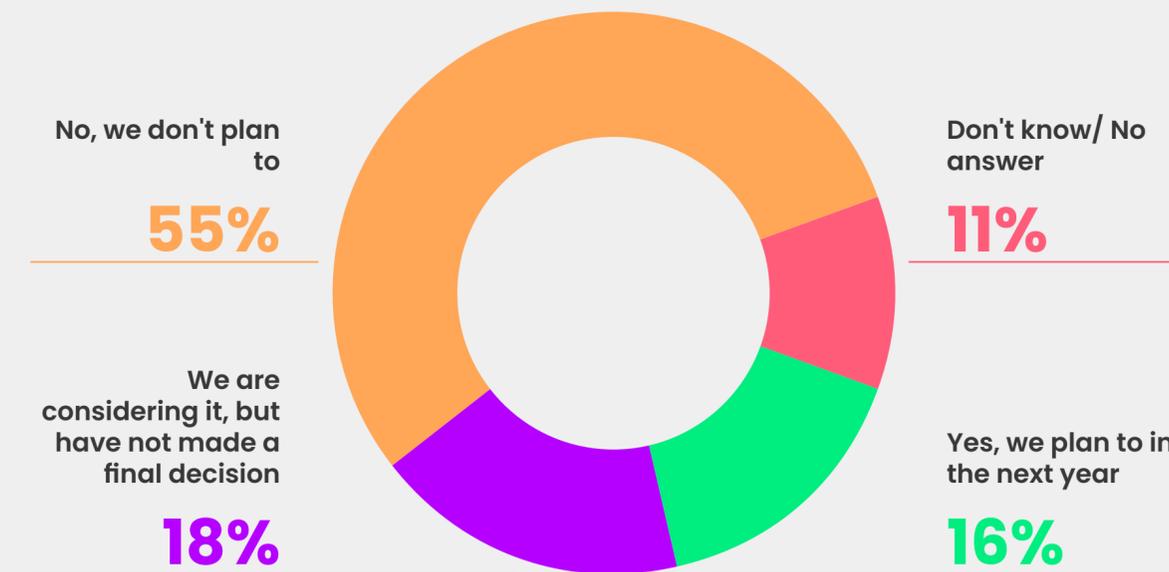
The process is seen as quite resource-intensive and marketing teams need a long period to “work up to” it. External factors such as channels and changes in customer tastes can accelerate this.

1/3 planning or considering changes to your brand identity

Nearly 55% of companies do not currently plan to change their name, logo or graphic identity. This is due to their fear of losing recognition, attachment to the existing brand and the fact that the brand identity has already been changed recently.

However, 1/3 of the companies surveyed admit that they are either planning or considering a change in brand.

Thinking about your company's primary or corporate brand, are you planning any changes to the name, logo or graphic identity?



Source: Survey of marketing managers, September 2023, n=173

Brandname - permanent value

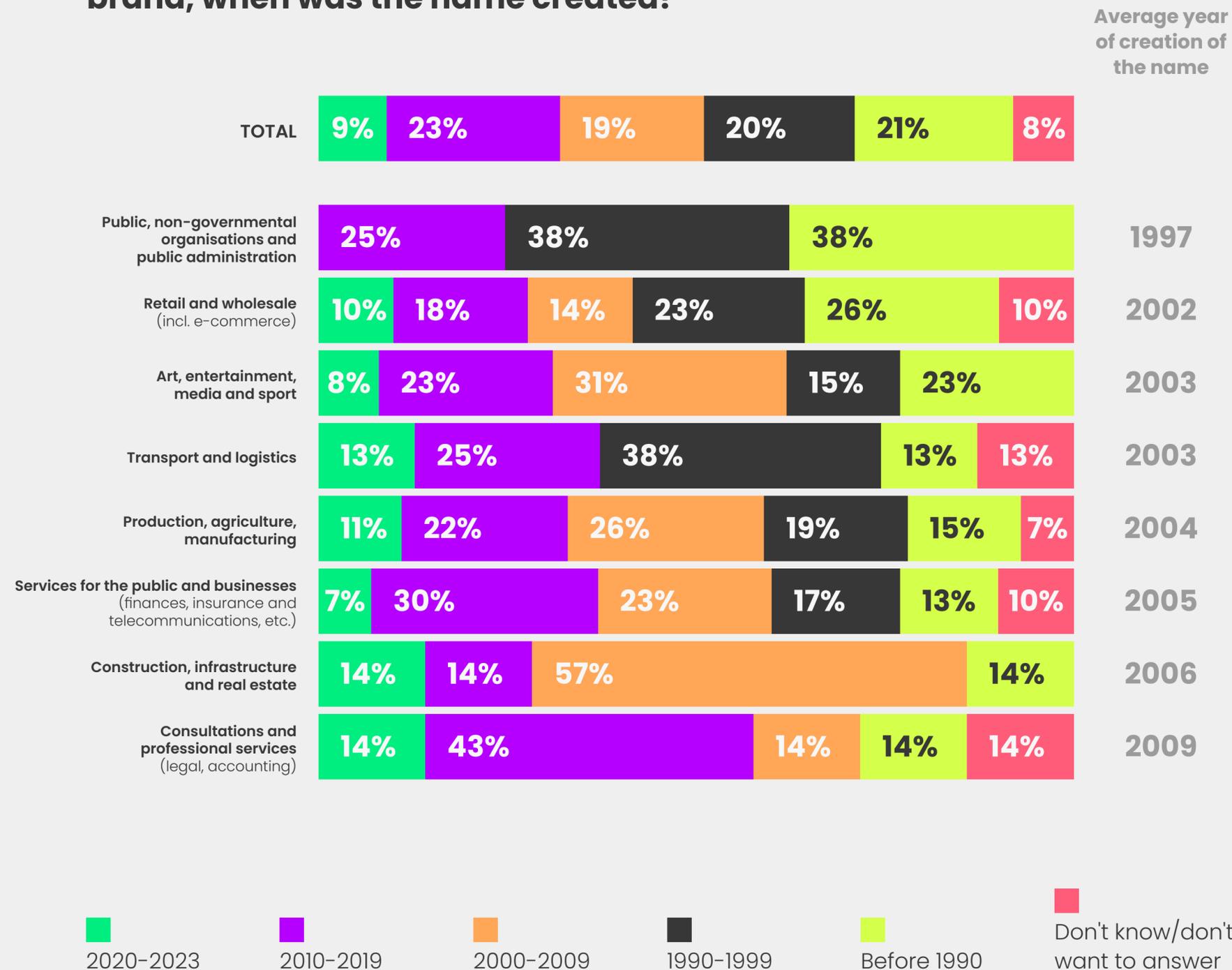
The brand name is seen as a lasting and stable asset.

60% of the brand names represented by the marketing managers surveyed were created before 2009.

The longest-serving companies are in the public, non-governmental and government sectors, where the average age of a company name is 26 years.

The companies with the shortest histories are those engaged in consultancy and professional services. The average age of the name of these companies is 14 years.

Thinking about your company's main or corporate brand, when was the name created?



Source: Survey of marketing managers, September 2023, n=173

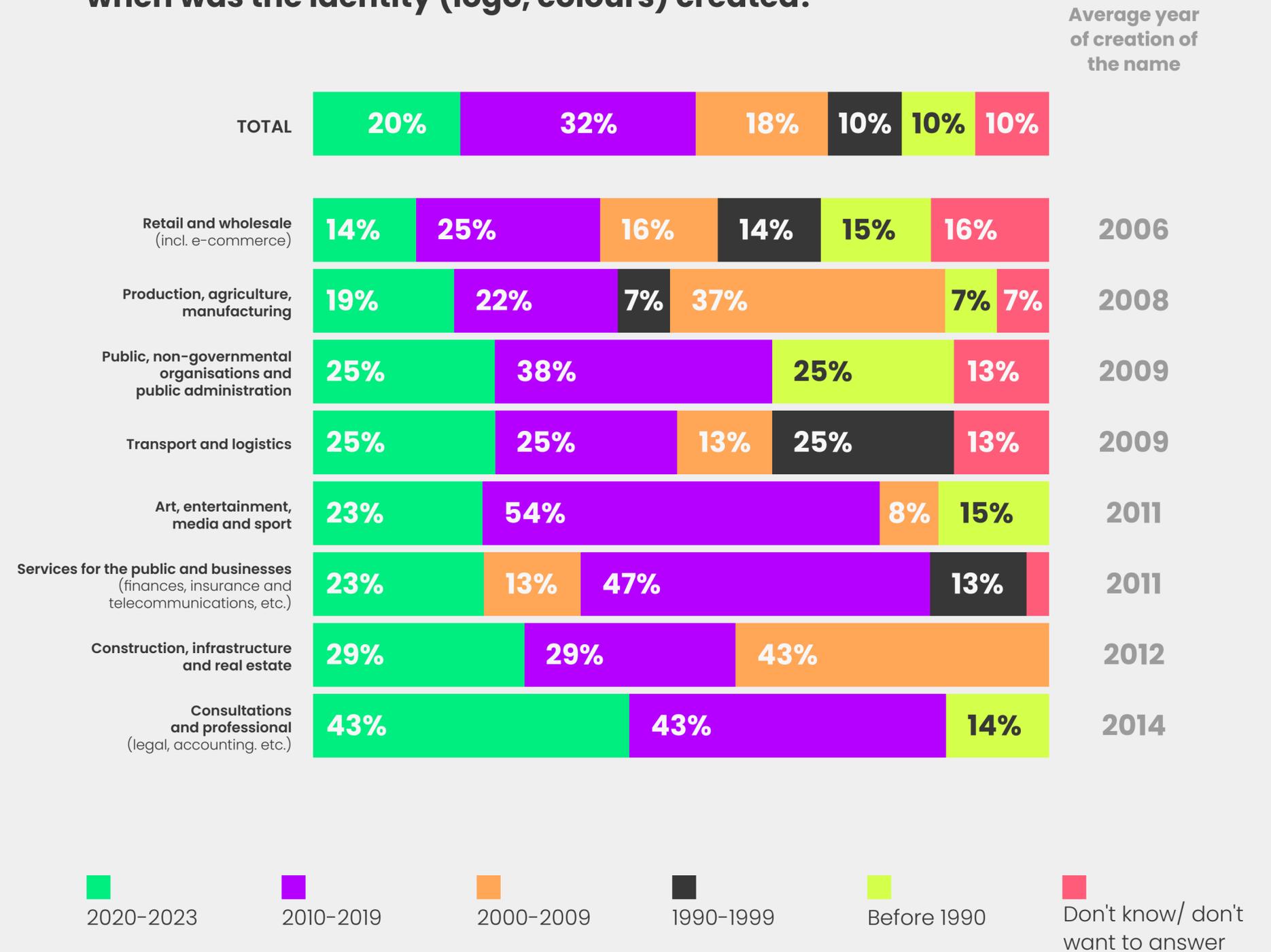
Visual identity - with a tendency to change with the times

Visual identity is much more in step with the times. 51.5% of companies have created a new identity or made significant changes to their visual identity since 2010.

Comparatively, **the newest identity** is in the consulting and professional services sector, created around 2014.

Comparatively, **the oldest identity** is in the retail and wholesale sector, where the most resources are often needed to implement identity changes at the point of sale, and on equipment, etc.

Thinking about your company's main or corporate brand, when was the identity (logo, colours) created?



Source: Survey of marketing managers, September 2023, n=173

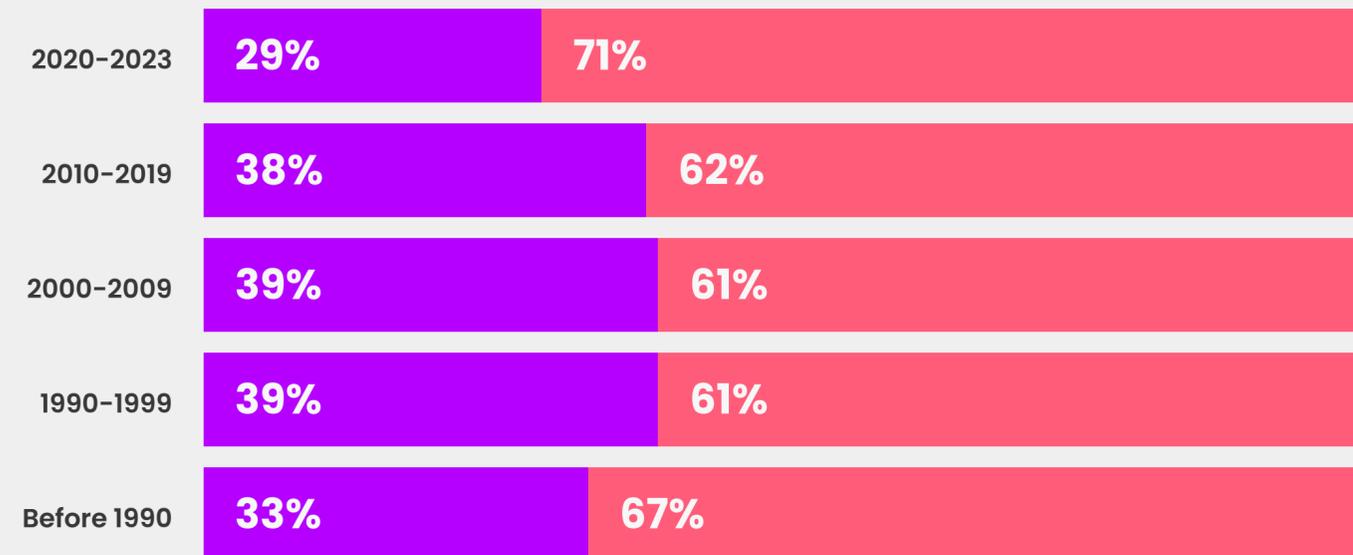
When the time has come to rebrand? There is no single answer

Regardless of the time that has passed since the brand identity was created, 71% of marketing managers are **cautious about changing their brand identity**.

Despite recent changes in brand identity, there are companies that believe that a brand is never ready. It needs to be constantly updated based on current industry trends and consumer behaviour.

Companies with older brand identities have a wide audience and years of recognition. These companies are more conservative about change and are risk-averse.

When was the identity (logo, colours) created? Are you planning any changes to the name, logo or graphic identity?



Planning or considering



Not planning or no answer

Source: Survey of marketing managers, September 2023, n=173

Rebranding planned

Sector and company by type

Sectors with a higher proportion of companies planning or considering a change of identity:

- 1. Transport, logistics:** The sector is witnessing intensifying competition and changing consumer habits, with purchases increasingly being made online. Some companies in the industry have shifted their focus from the East to the highly competitive Western markets. To boost their competitiveness and conquer other markets, businesses are more actively considering changing their identity.
- 2. The arts, entertainment, media and sport** sectors are subject to rapid information flows and changing trends, which demand the ability to respond and change quickly.
- 3. Public, non-governmental organisations and public administration**
It is increasingly important for the public and non-governmental sectors to adopt similar communication principles as the private sector in order to communicate effectively with the public, increase support and achieve their objectives. By attracting the attention of your audience with a current design, you can raise awareness of your goals, challenges and work. In this way, they create a deeper connection with society and contribute to a positive impact.

Are you planning any changes to your name, logo or graphic identity? – We are planning or considering them

Construction, infrastructure and real estate	29%
Production, agriculture, manufacturing	33%
Retail and wholesale (incl. e-commerce)	21%
Transport and logistics	75%
Services for the public and businesses (finances, insurance and telecommunications, etc.)	43%
Consultations and professional services (legal, accounting, etc.)	43%
Art, entertainment, media and sport	54%
Public, non-governmental organisations and public administration	50%
Large (over 250 employees and turnover of more than EUR 50 million)	33%
Medium (51-250 employees and turnover of EUR 11-50 million)	29%
Small (up to 50 employees and turnover up to EUR 10 million)	42%
Clients are mostly private individuals	32%
Clients are mostly legal entities	37%
The company works mainly for the Latvian market	32%
The company works mainly for the export market	42%
Average	34%

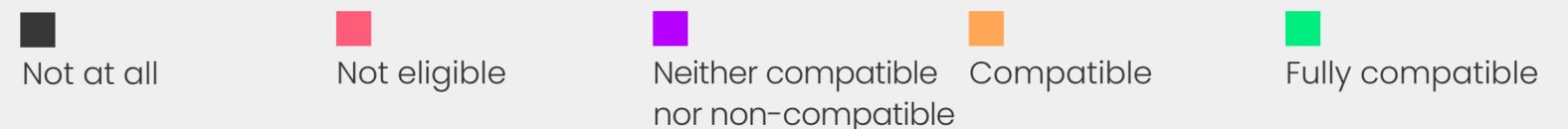
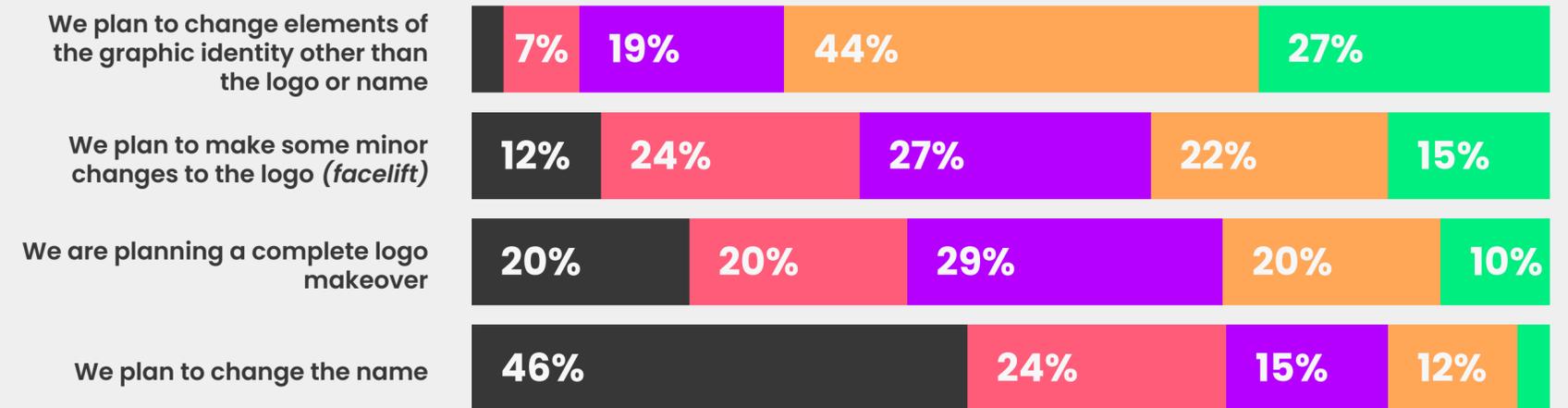
Source: Survey of marketing managers, September 2023, n=173

Want visible but not fundamental changes

71% are planning changes to the graphic identity element, in order to keep up with changing aesthetics, appeal to new audiences and adapt to new communication channels.

No changes are planned to fundamental elements of the brand identity such as the name. This is explained by a reluctance to lose the recognition and associations already attained.

To what extent do these statements correspond to the changes you are planning/considering making?



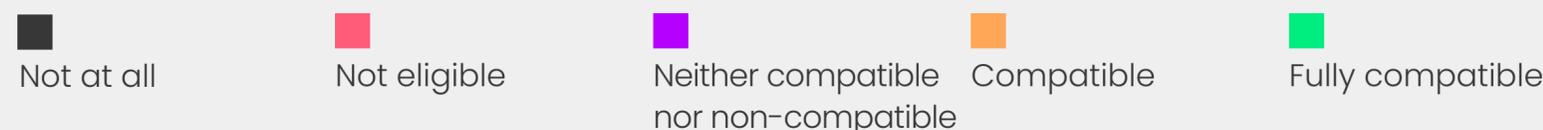
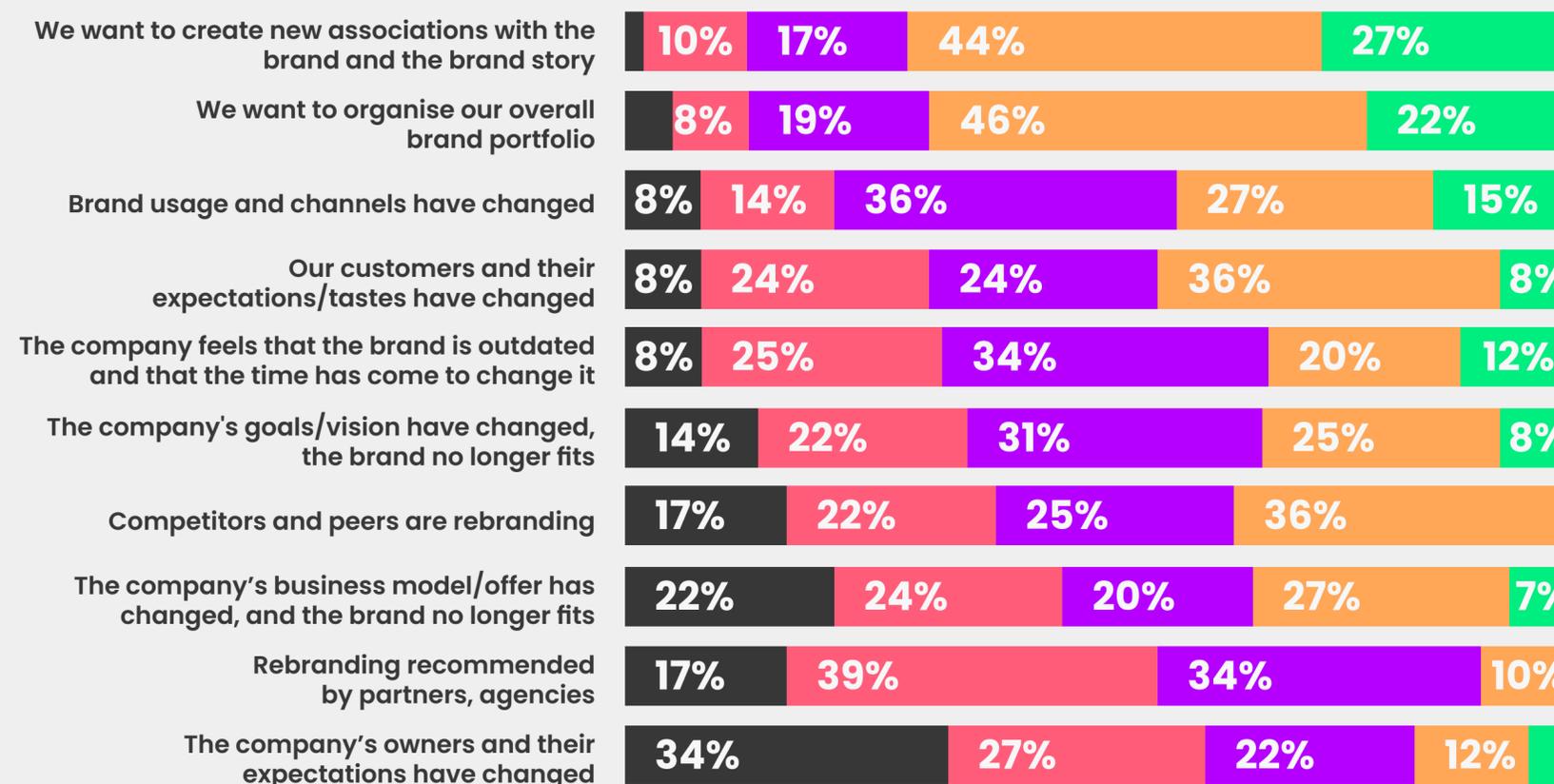
Source: Survey of marketing managers, September 2023, n=173

External factors accelerate problematic identity issues

External factors (macroeconomics, geopolitics, industry trends, technological developments and changing consumer habits) motivate 71% of companies to make changes to their brand identity in order to create relevant associations with the brand.

68% see the change in brand identity as an opportunity and an investment in sorting out their brand portfolio. In times of high costs, companies want to make cost efficiencies and one way to do this is to optimise their brand portfolio.

To what extent do these reasons correspond to why you are planning/considering changes?



Source: Survey of marketing managers, September 2023, n=173

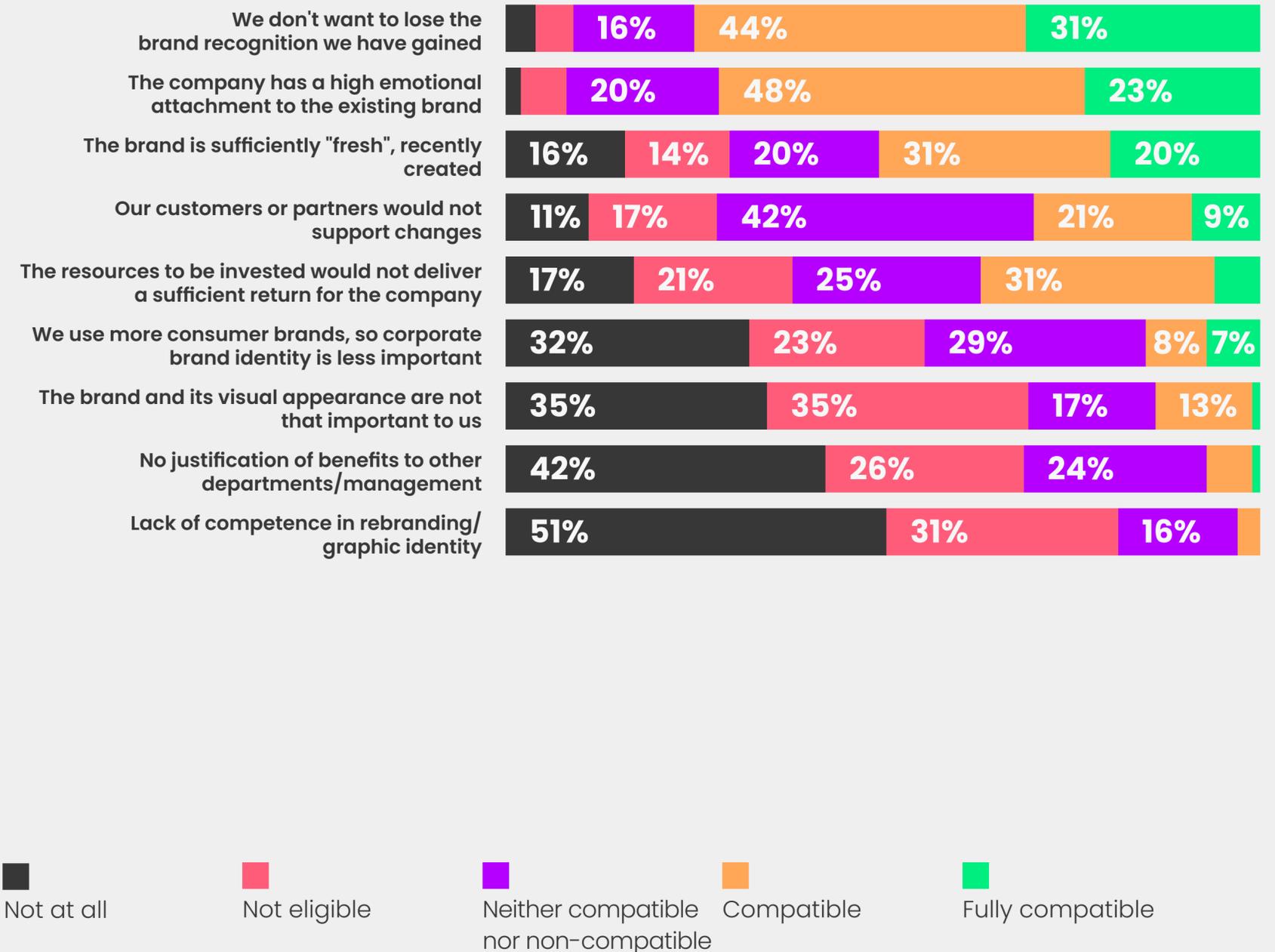
Inherited recognition - the main reason not to change

Not wanting to lose recognition attained is the main reason for not changing the brand identity. While this is largely an emotional argument, the rationale behind it is real.

72% say the company has a high emotional attachment to its existing brand. Loyalty is a good sign, but it can also be a stumbling block when a change of identity is needed to grow the business, but the team is unable to let go of the old or is afraid of the new. In such a situation, a motivated marketing person within the company is useful to serve as an agent or advocate for the necessary changes.

On the positive side, **81% of marketing teams are confident in their competence** to change brand identity if needed.

To what extent do these reasons correspond to why you do not plan to make changes?



Source: Survey of marketing managers, September 2023, n=173

Marketing professionals comment



Linda Kalniņa

Riga Airport

Corporate Brand Manager



The data shows that 34% of companies are planning or considering changes to their visual brand identity, driven by market conditions, changing habits or the need to achieve business objectives more effectively. In contrast, the main reasons for not making changes are the fear of losing recognition and the high emotional attachment to the brand in the company.

In this case, you need to critically assess the situation and be able to honestly answer the question whether the "old dress" is helping or hindering and impeding the success of your goals.

Riga Airport's decision to change its visual identity is **linked to its goal of becoming the travel hub of the future in Northern Europe.** It includes major development projects such as the expansion of the terminal and the creation of an airport city, which will not only offer aviation services, but also new opportunities for the public and business development. The new visual identity will reflect the airport's multifaceted functions and will become architecturally suited to the new interior and exterior, and will become a calling card for Riga and Latvia.

The Riga Airport corporate brand also has a high emotional attachment, which led **to think strategically about the project process and take into account best practices in change management.** We have involved partners, the public and, in particular, a large number of airport employees in the development of the visual identity – in studies, working groups, surveys and tests. This has helped to create awareness within the company not only of the importance of the brand and the need to change it, but also of the desire for change.

Marketing professionals comment



Mikēlis Baštiks

Asketic

Brand Designer



The first thing to remember is that working with a brand's visual identity is not just about a logo and colours, but about **targeted design principles and means of visual expression that**, over time, when used consistently, build brand awareness. Accordingly, classic *rebranding* is relatively less common and is primarily used when

a company is no longer able to effectively address its target audience, plans to enter new markets, wants to communicate a change in the company (change of ownership, change of direction) or simply consolidates sub-brands that have developed over time under one powerful and focused brand.

More often than not, the task is to clean up and update an existing brand without fundamentally changing the main cornerstones – the name, the logo, the colours. This means assessing existing communication and the materials and graphic elements used, understanding what is effective and what needs to be improved, in order to create clear and practical visual identity design systems, principles and templates for key materials.

A recognisable visual identity is created by self-selected constraints or targeted choices that, over time, when consistently adhered to, begin to create a recognisable brand character or identity. Changes in brand identity are not so much driven by the aesthetic trends of the times, but by the graphic reflection of the brand's visual identity in the long-term personality of the company. It gives clarity internally and makes everyday life easier, but also sends a clear external signal to the target audience.



Marketing professionals comment

Re-branding is often the way to go for brands that have built up recognition over the years, where changes need to be made with particular care.

Over the years, the internal "economy" has grown, various temporary solutions and individual interpretations have often become the order of the day. In these situations, brand design systems help to identify the essentials, clarify a clear brand character, get a breath of fresh air and consistency. A feature we've noticed is that successful, long-established companies **often refresh their brand identity as they approach milestone anniversaries**. Then it is necessary to clean up the brand and update it, without forfeiting the recognition already gained.

Looking ahead to 2024, if no work is planned on the brand's visual identity, it is recommended to create and **use an interactive online brand guidance platform**.

This makes it possible to keep all visual language materials, blanks and key principles in one place, easily and quickly updated and shared with the team and partners. Up-to-date versions and templates are available 24/7, complete with easy-to-understand principles and illustrative examples. A brand is not static, so as it constantly evolves, this is the smartest way for companies to continue to organise their brand resources in the digital age. Companies can build their own platform, integrate it into existing systems or use an off-the-shelf solution, such as Corebook.

My wish for every brand in 2024 is not **to get lost amidst the lukewarm information noise, but builds a strong, clear and consistent visual identity across all touchpoints through targeted choices, self-determined principles and discipline**. Build a brand with character that is noticed, recognised and chosen.

3 You (don't) need a strategy

Small and large companies have different marketing packages, both at the level of strategies and tactics.

A needs audit is required along with consultation with similar companies. Techniques and tools praised in marketing festivals and courses are inspiring, but are often based on examples from other markets/ differently sized companies and are not appropriate for every stage of a company's development.

Strategy development

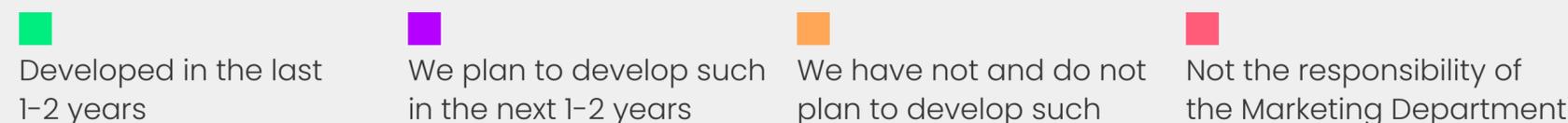
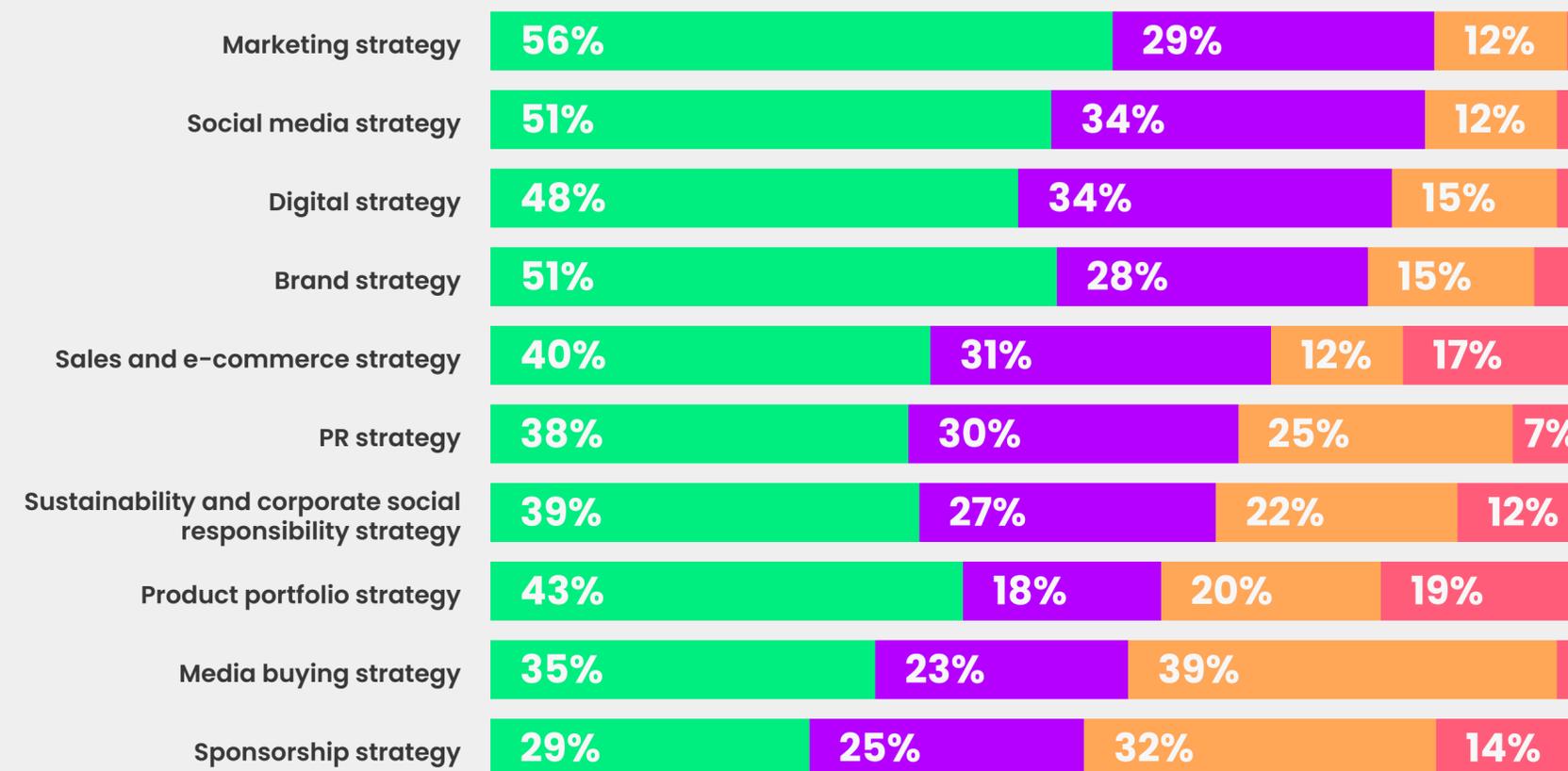
A set of strategies for marketing departments – marketing strategy, brand strategy and social and digital media strategy.

Oftentimes, product portfolio and sales/e-commerce strategy are not the responsibility of marketing departments.

Quite understandably, the strategy of media buying and sponsorship is relevant for fewer companies.

Interestingly, however, the sustainability and corporate social responsibility strategy is one of those viewed as not being planned or not being the responsibility of marketing. Let's see how this changes in years to come.

What kind of strategy documents does your company have in place and which do you plan to develop?



Source: Survey of marketing managers, September 2023, n=173

Strategy development

Cross-section of business types

For large companies, strategies are fixed in practically all areas.

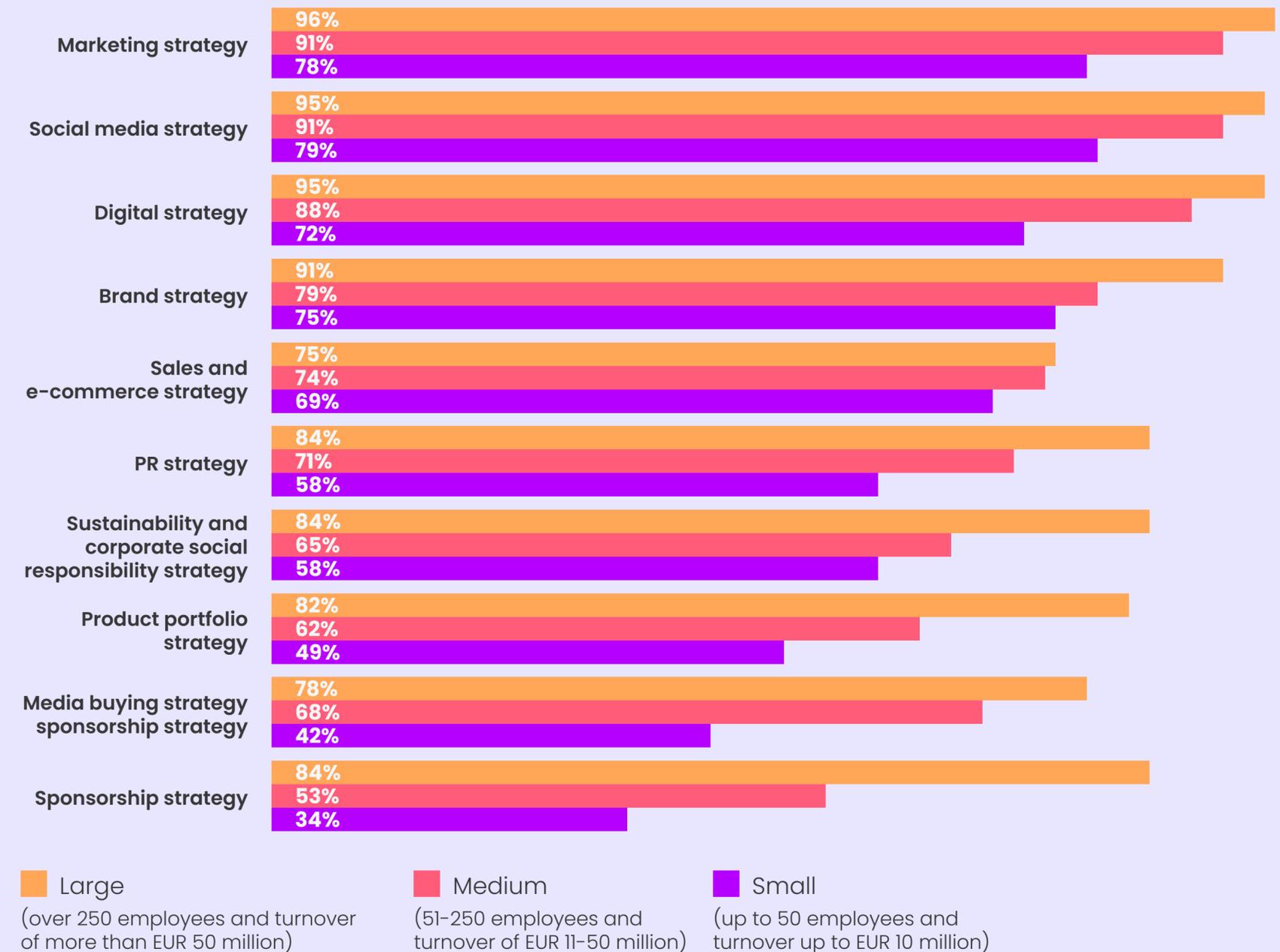
In almost every sector, 80% of companies have strategies in place or are planning to do so. The exception is a sales or e-commerce strategy.

~80% of small businesses have a marketing or social media strategy. Other strategies are much rarer.

Much of this is linked to the implementation of specific communication areas (e.g. media buying, sponsorship or PR strategy).

It is debatable whether a branding strategy or a sales strategy (which is less common) makes more sense for small businesses. It is advisable to assess the needs of each company, talk to partners and similar companies. In situations where there is no wider communication, a brand strategy may not be a priority document.

What kind of strategy documents has your company developed (in the last 1-2 years) or is planning to develop (in the next 1-2 years)?



Source: Survey of marketing managers, September 2023, n=173

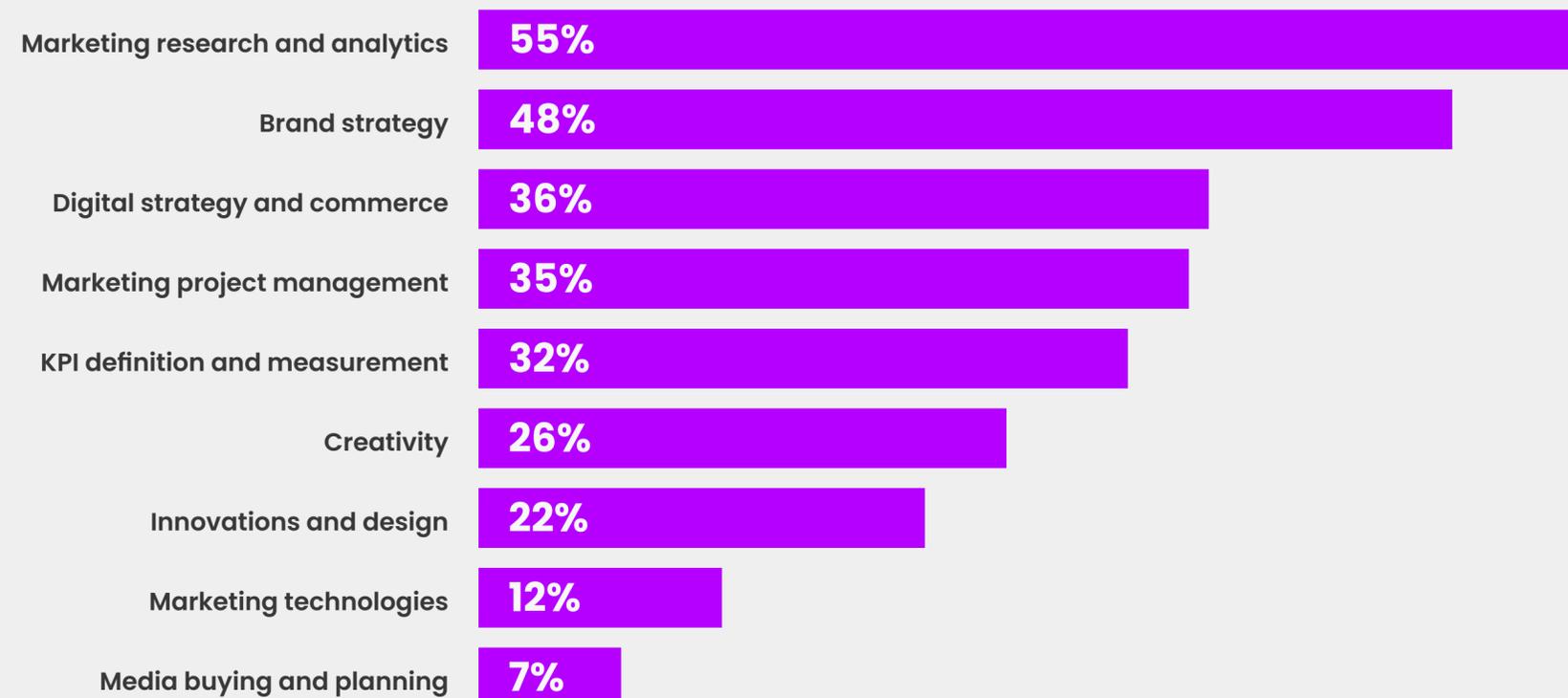
Marketing competences

Top competences are marketing research and analytics, brand strategy and digital strategy/commerce.

However, there is no common view regarding any of the competences. Marketing research and analytics are considered important by only 55%.

So marketing in Latvia has different faces and the importance of different competences varies from team to team.

Which do you think are the most significant competences to ensure marketing targets are met?



Source: Survey of marketing managers, September 2023, n=173

Marketing competences

By type of enterprise

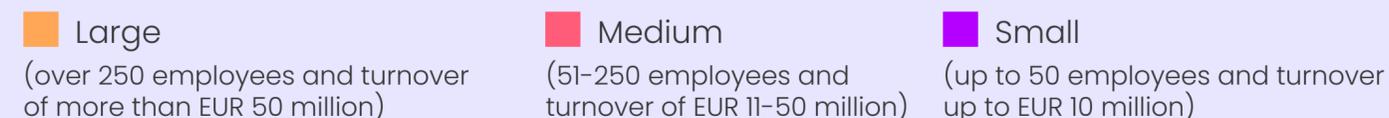
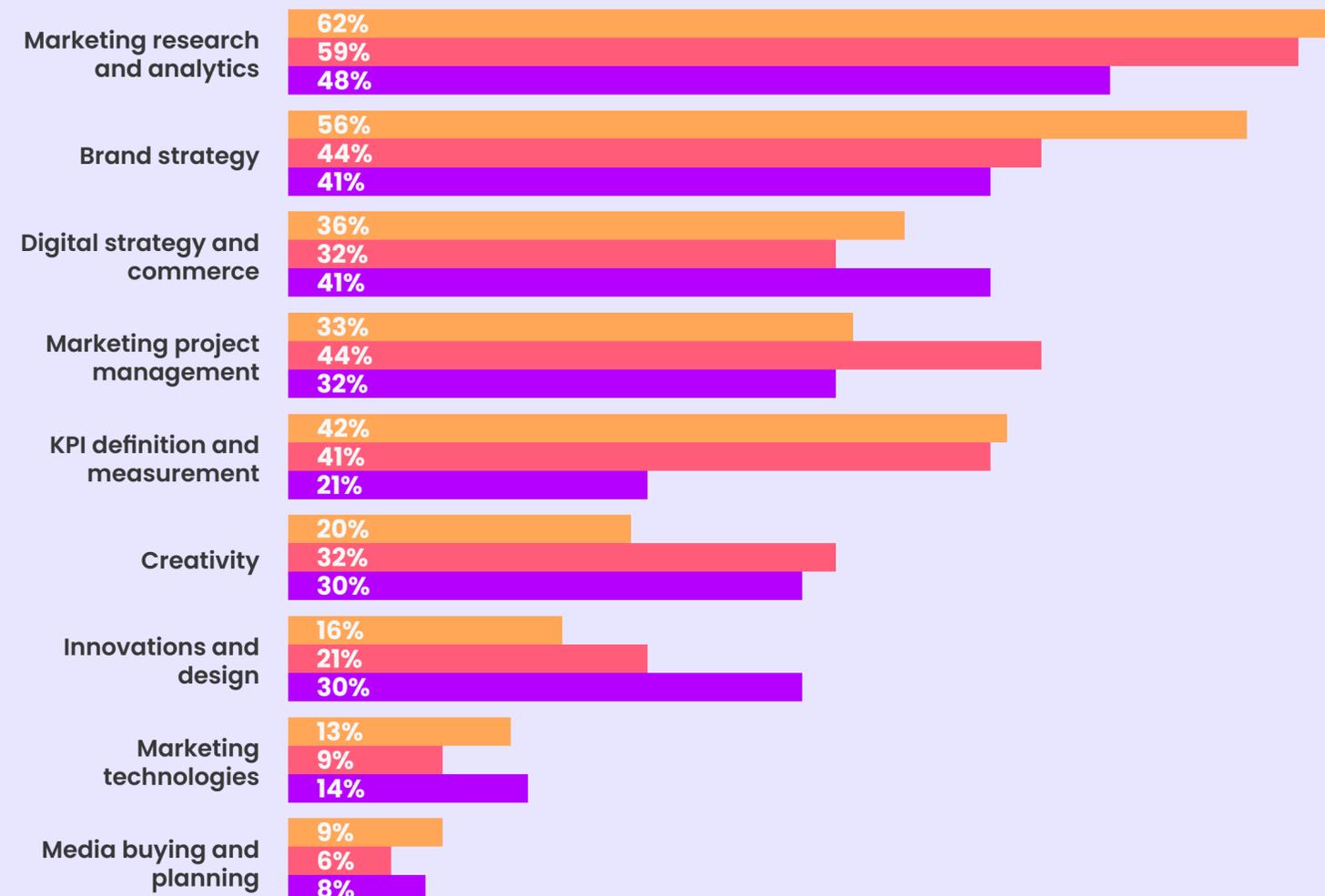
Marketing research/analytics and brand strategy

are the competences that matter most in large, medium-sized and smaller companies.

Defining and measuring KPIs is much more important in large and medium-sized enterprises, possibly in the context of internal efficiency assessment. By contrast, **project management** is more relevant in medium-sized companies.

Small businesses are characterised by the broader functions of their marketing teams. Among these, **innovation/design and technology is ranked much higher.**

Which do you think are the most significant competences to ensure marketing targets are met?



Source: Survey of marketing managers, September 2023, n=173

Marketing competences

Changes compared to previous years

Research and analytics has been a TOP marketing competence since last year, when many professionals admitted to turning to data and analytics for support in the impending recession.

In the context of research and analytics as a **skill, the role of defining and measuring KPIs has also grown.**

The role of creativity as a competence has declined, giving way to the analytical side of marketing.

Marketing technology is a "hot potato". On the one hand, we hear a lot about it in the media, at events, but at the same time it is not a competence that is viewed as a priority. Moreover, as we will see in the analysis that follows, it is also not leveraged as a resource from partners.

Which do you think are the most significant competences to ensure marketing targets are met?

Rank	2023	2022	2021
Marketing research and analytics	1	1	2
Brand strategy	2	3	1
Digital strategy and commerce	3	4	4
Marketing project management	4	5	3
KPI definition and measurement	5	7	-
Creativity	6	2	-
Innovations and design	7	6	5
Marketing technologies	8	8	6
Media buying and planning	9	9	7

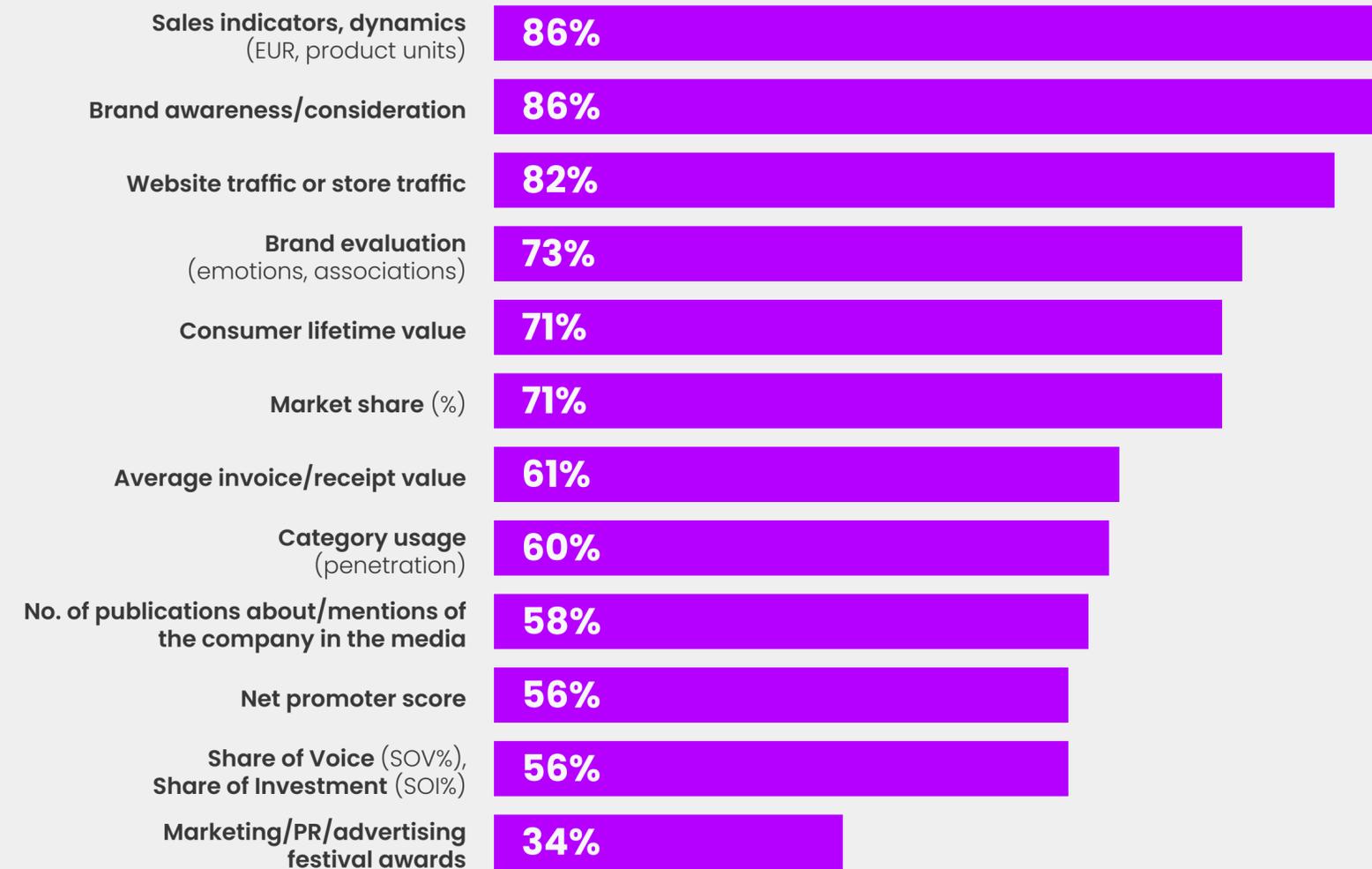
Marketing KPI

This year, **sales metrics and brand awareness** are equally important KPIs (with sales only slightly ahead).

In 3rd position with a very close result - the **number of visitors to the website or shops.**

Festival awards are the least valued and are only relevant to a fraction of companies.

How important are these indicators to your company in assessing marketing effectiveness? Important/very important



Source: Survey of marketing managers, September 2023, n=173

Marketing KPI

Cross-section of business types

Large companies value true marketing metrics – brand awareness and ratings – more than others, although sales metrics are also in 2nd place.

Medium-sized companies are much more focused on maintaining and growing their position in the market – they value market share more highly along with visibility.

For smaller businesses, the focus is on sales and footfall, as well as overall customer value. They genuinely try to "look after" every customer and encourage loyalty.

How important are these indicators to your company in assessing marketing effectiveness?

Rank	Large (over 250 employees and turnover of more than EUR 50 million)	Medium (51-250 employees and turnover of EUR 11-50 million)	Small (up to 50 employees and turnover up to EUR 10 million)
Sales indicators, dynamics (EUR, product units)	2	1	1
Website traffic or store traffic	3	3	2
Brand awareness/consideration	1	2	3
Consumer lifetime value	8	6	4
Brand evaluation (emotions, associations)	4	5	5
Average invoice/receipt value	11	9	6
Market share (%)	5	4	7
Category use (penetration)	10	7	8
No. of publications about/mentions of the company in the media	9	11	9
Net promoter score	6	10	10
Share of Voice (SOV%), Share of Investment (SOI%)	7	8	11
Marketing/PR/advertising festival awards	12	12	12

Marketing KPI

Changes compared to previous years

Sales figures and brand awareness have changed over the years as KPI leaders, but it is clear that the differences are not huge, and this year in particular they are small.

An increasing number of marketers are focusing on how to attract customers, whether real or virtual. Traffic and attendance as KPIs have grown in importance, overtaking brand emotion and market share.

In other areas, too, we see that companies are getting better at working with customer experience and their own channels, appreciating the importance of the person who visits them in person/virtually, and knowing how to convert them into customers.

How important are these indicators to your company in assessing marketing effectiveness?

Rank	2023	2022	2021
Sales indicators, dynamics (EUR, product units)	1	2	1
Brand awareness/consideration	2	1	2
Website traffic or store traffic	3	4	5
Brand assessment (emotions, associations)	4	3	3
Market share (%)	5	6	4
Consumer lifetime value	6	5	6
Average invoice/receipt value	7	7	7
Category use (penetration)	8	-	-
Net promoter score	9	10	8
Share of Voice (SOV%), Share of Investment (SOI%)	10	9	9
No. of publications about/mentions of the company in the media	11	8	10
Marketing/PR/advertising festival awards	12	11	11

Marketing Department influence

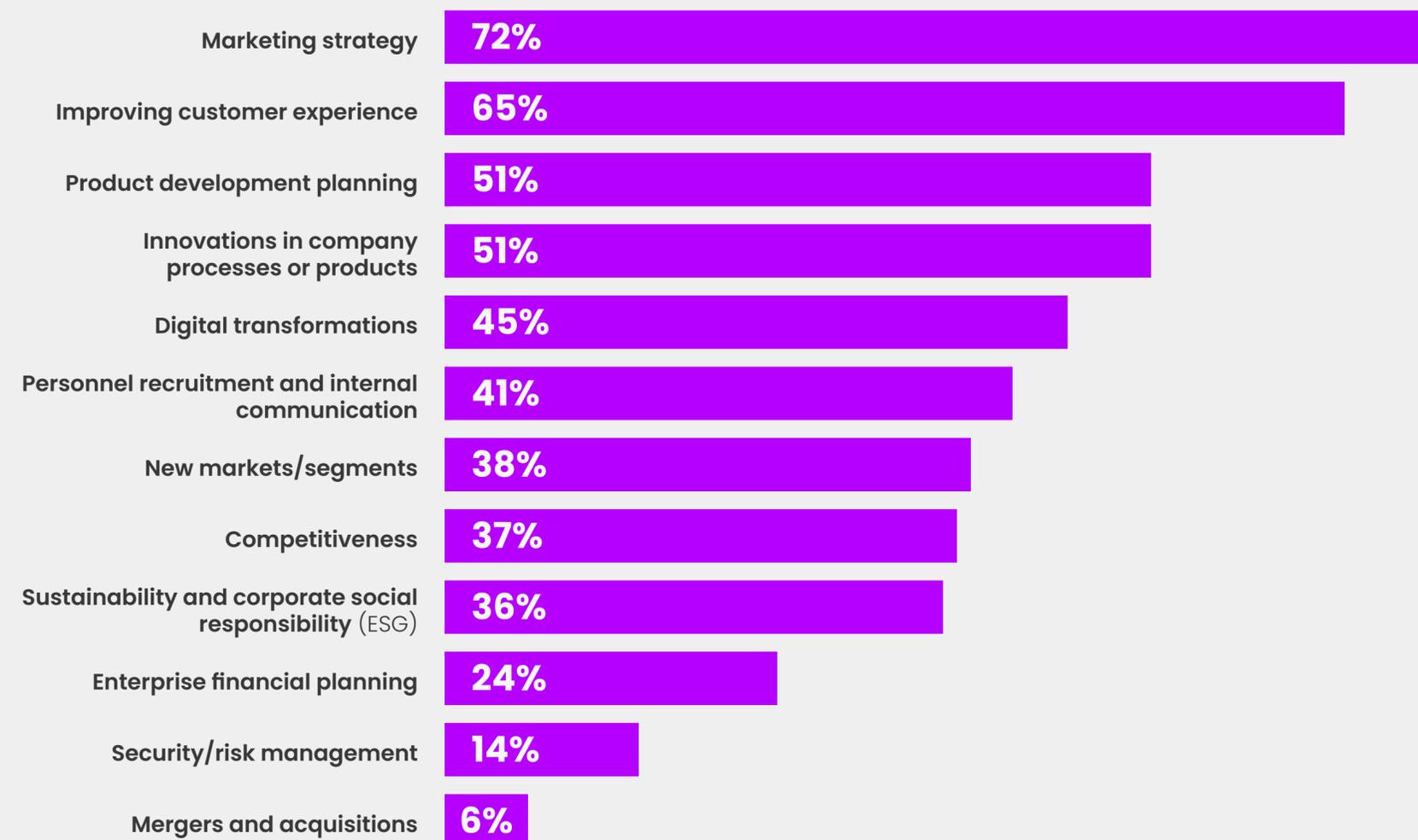
72% of marketing professionals say they have a say in marketing strategy decisions in their company. Who are the other 28%?

Most are specialists, project managers or business managers whose direct responsibilities may not include marketing strategy.

It should be noted that we initially filter out those who do not participate in the development/implementation of marketing activities. This raises the issue of insufficient involvement of the wider team in discussing the marketing strategy. Staff implementing the activities do not feel that they can influence the strategy.

The next areas of responsibility for marketing professionals are customer experience, product development and innovation. Digital transformation is only 5th this year.

In which areas are you able to influence decisions in your company?



Source: Survey of marketing managers, September 2023, n=173

Marketing Department influence

Changes compared to previous years

Marketing strategy and customer experience are invariably the field of action and influence of marketing professionals. With economic challenges, which began as early as 2022, product development planning is in the TOP 3, as it is necessary to respond quickly to market changes.

Marketing needs to focus relatively less on digital transformation and internal communication (as was the case in 2021 during the pandemic). Many companies have already managed to carry out their digital transformation. But as we will see in the analysis below, digital skills are still among the TOP marketing competences.

In which areas are you able to influence decisions in your company?

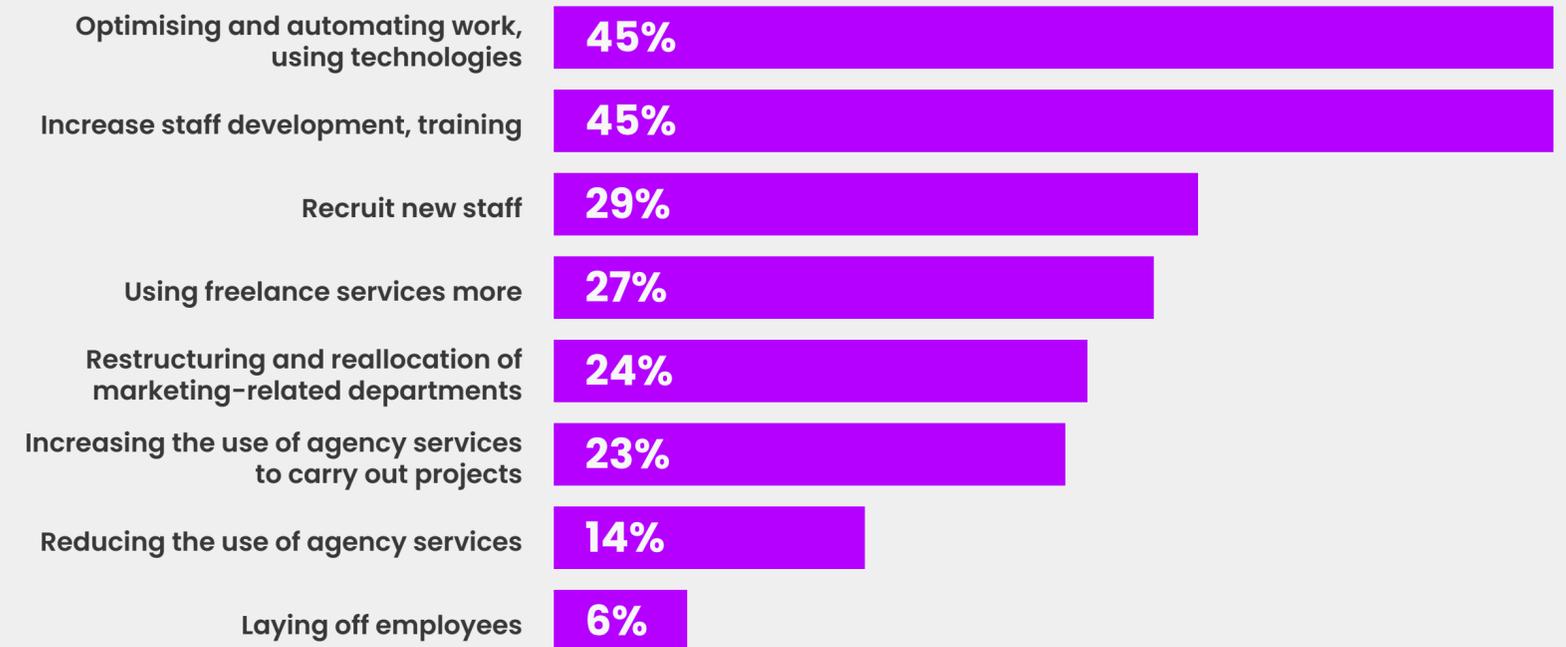
Rank	2023	2022	2021
Marketing strategy	1	1	1
Improving customer experience	2	2	2
Product development planning	3	3	5
Innovations in company processes or products	4		
Digital transformations	5	5	3
Personnel recruitment and internal communication	6	6	4
New markets/segments	7	7	7
Competitiveness	8	4	6
Sustainability and corporate social responsibility (ESG)	9		
Enterprise financial planning	10	8	8
Security/risk management	11	9	9
Mergers and acquisitions	12	10	10

Changes in marketing teams

The main areas where marketing teams are planning changes are optimising their work through technology and upskilling their staff. Recruiting new staff and attracting freelancers are equally popular.

Interestingly, teams plan to use technology in their work, but marketing technology is not seen as an important competence for achieving goals. The link between effective teams and better targets may be overlooked, but it exists to a large extent.

What changes are you planning to make to marketing management in the near future?



Source: Survey of marketing managers, September 2023, n=173

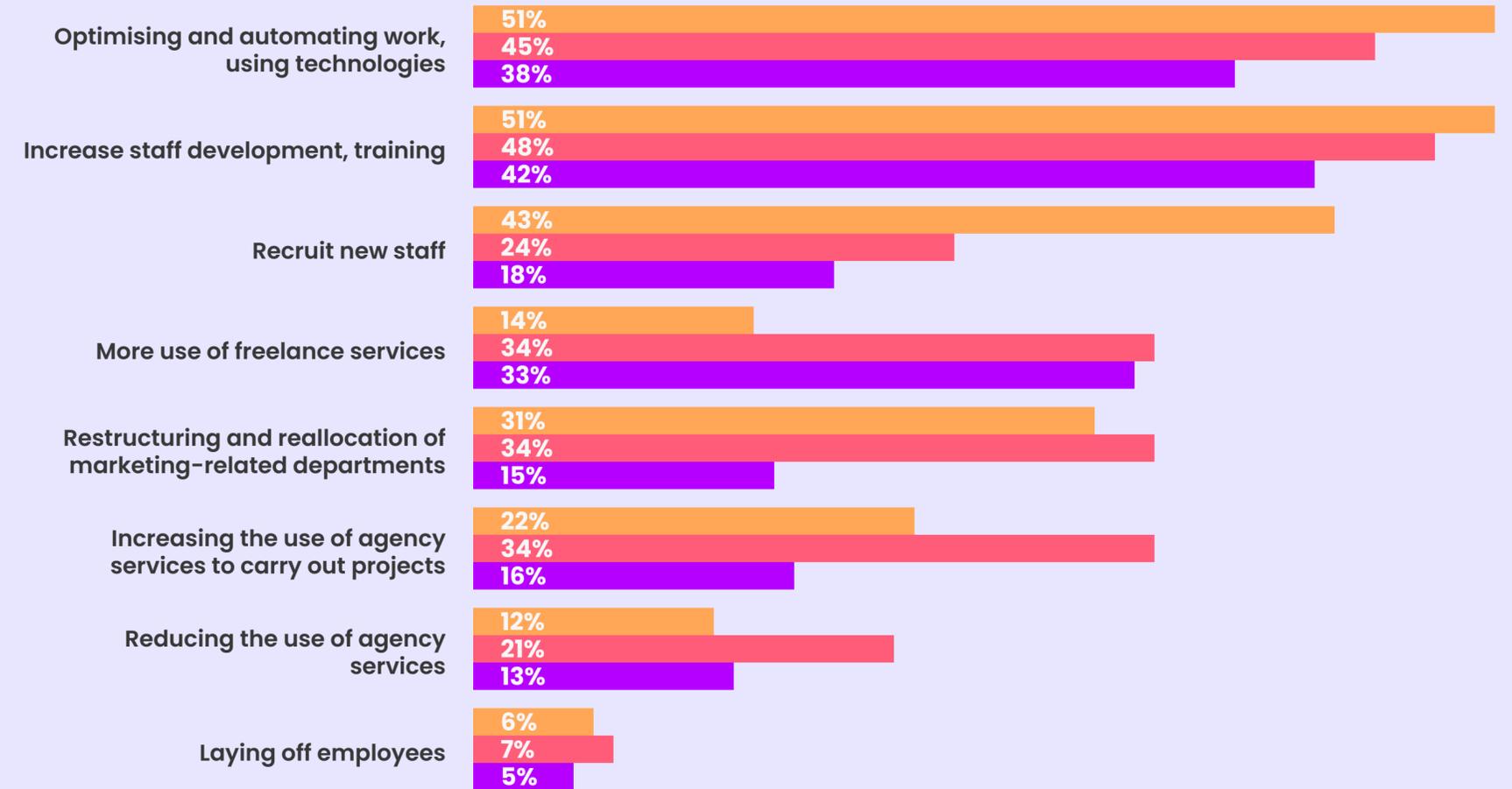
Changes in marketing teams

Cross-section of business types

Marketing teams in larger companies are the most likely to hire new staff, while medium-sized and smaller companies are most likely to hire freelancers.

Technology and skills training is more accessible to larger marketing teams.

What changes are you planning to make to marketing management in the near future?



Large
(over 250 employees and turnover of more than EUR 50 million)

Medium
(51-250 employees and turnover of EUR 11-50 million)

Small
(up to 50 employees and turnover up to EUR 10 million)

Source: Survey of marketing managers, September 2023, n=173

Marketing professionals comment



**Anna
Melne**

WKND

Strategist



Why this strategy and why now?" is one of the most valuable questions that a strategist can ask a marketing professional.

Rarely do we hear an answer about the challenges in conditions of limited resources that this strategy is needed to overcome. And it's OK if the task does not look like it comes straight from a book. We can also help with defining problems.

Sometimes we hear answers that we need strategy to be structured and recorded in a document. This is too is acceptable!

The strategist's task will be to further clarify: "Why?" For example, many partners, staff turnover, etc. Whatever the situation, the question is: "Why?" will help you understand if you are looking for the right tool, or the right strategy. For example, a new company

that needs a brand strategy. In fact, it turns out that there is no foundation (product, understandable audience) on which to build this brand yet.

The data shows that social media, marketing and branding are the most common strategies for smaller companies. Perhaps a sales strategy (which is not very popular) would be more rewarding, or the 22% of small businesses that do not have a marketing strategy would develop one, leaving the rest (social media, branding) as an area for sensible experimentation rather than fixed strategies.

There are, of course, different situations and different teams. But we can find significant efficiencies by asking even the simplest question: "Why is this necessary?"

Marketing professionals comment



Mārtiņš Eihmanis

Virši

Head of Marketing Department



"Does the company need a strategy for marketing, branding, etc?" is a broad question, because not only can companies differ greatly in terms of size or the nature of their operations, but also in terms of what **we each mean by "strategy"**. Seeing the survey results that 80% of small businesses have a marketing or social media strategy, I suppose that there are different understandings. For some, it's an unwritten tactic for choosing media

channels; whereas for others, it's a brand graphic guide; and for others, it's a comprehensive brand or marketing strategy based on the company's business goals and values.

P.S. Looking at this year's results, I conclude that among marketing competences creativity has undeservedly fallen low on the totem pole. Whatever the strategies, implementing them in communication, especially brand communication, **will always require a strong creative solution.**

To answer your question, I can make a couple of suggestions:

- There is no single truth, because one size does not fit all. **Each person needs to look at the specifics of their company's industry, size and needs** to understand, for example, when short and clear brand guidelines are needed and when they are no longer sufficient and a brand strategy is needed;
- not to hurry, because **a good strategy needs solid foundations**. I am convinced that a strategy that is designed simply to be that will end up on the shelf sooner and not be used in day-to-day work. In contrast, a strategy based on the company's values will inspire the team to create work tasks and will therefore be actively used on a daily basis;
- **communicate and get advice from other companies**. I myself increasingly turn to colleagues in the field to exchange experiences, asking about the division of teamwork, planning tools, etc., and experience in different projects.

4

Artificial intelligence (AI) is more complex but more valuable than it looks

Just about everyone has tried AI, and ChatGPT is a window into the world of AI. Marketing professionals have faced challenges in making use of AI more meaningful.

You have to understand that there are a lot of AI tools out there and something new is being added every day. The focus should be on specialized tools tailored to specific needs. Only a small minority have tried them so far, the potential is untapped.

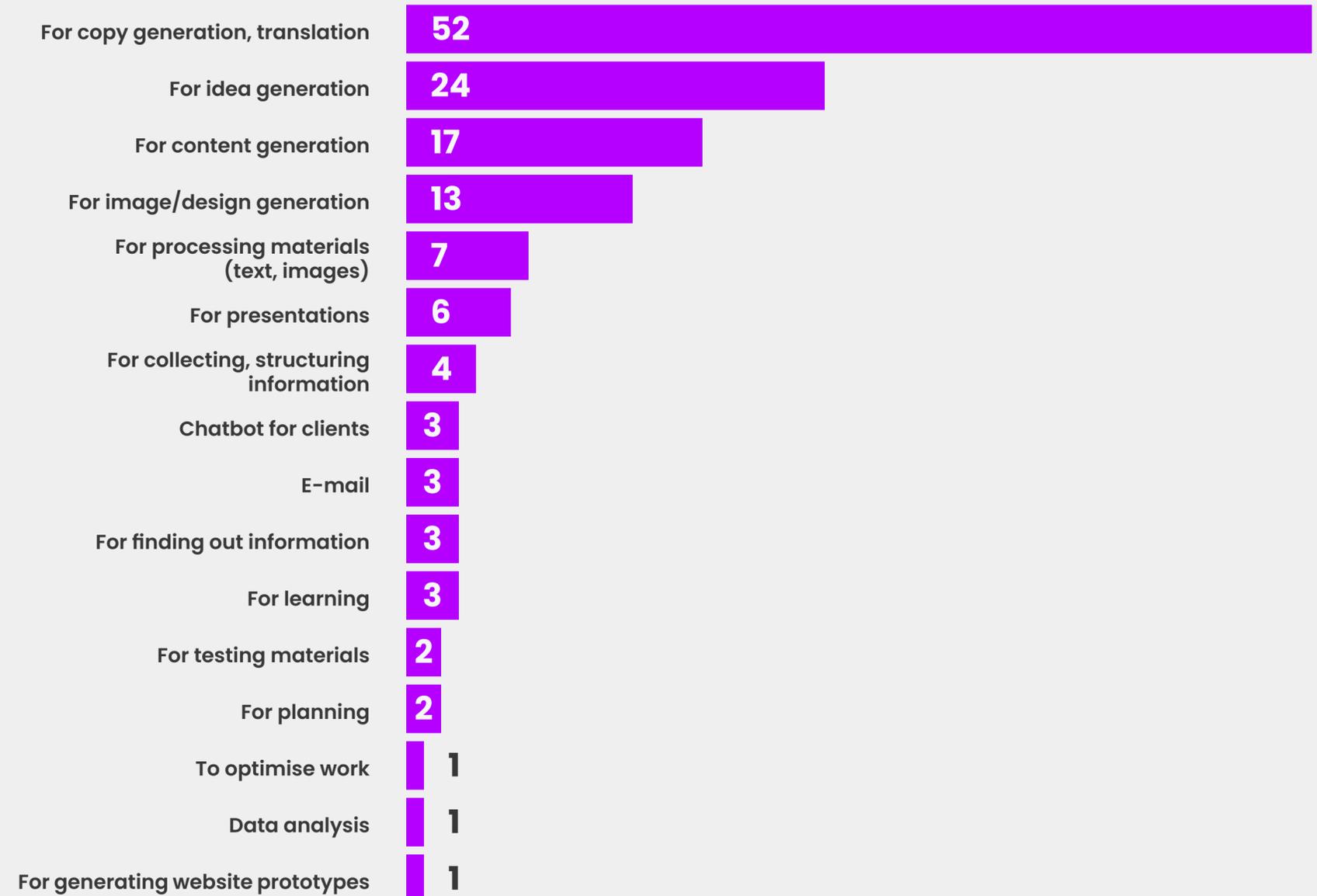
AI usage

We asked marketing professionals in an open-ended way about the use of AI in teams. Mostly AI is used for copywriting or translation. This includes the generation of ideas and content, as this most likely comes from the same tool - ChatGPT.

Image creation is not that topical. One reason could be that generating images has so far been much more complex than generating text. The problem is that you need to be able to write detailed and specific incentives to get the results you desire. However, you can see that there are some professionals who are gradually moving from stock images to AI (e.g. in journalism).

In light of the recent integration of DALL-E 3 with ChatGPT, image generation is expected to increase.

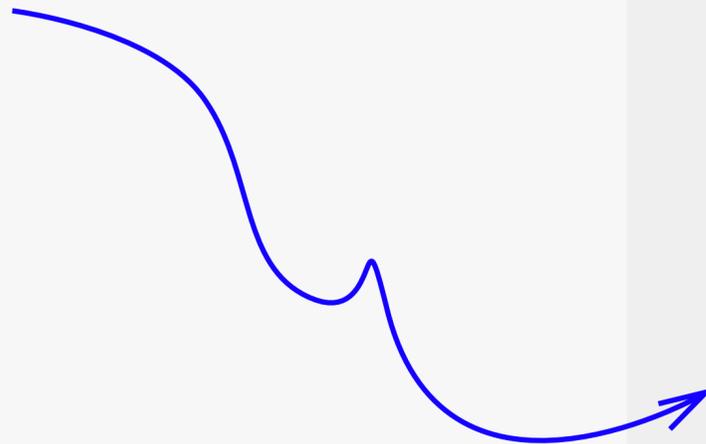
How do you use or test AI tools in your marketing teams? (number of mentions)



Source: Survey of marketing managers, September 2023, n=173

AI usage

Quotes from "How do you use or test AI tools in your marketing teams?"



We use several AI tools for content creation, ideation and copywriting, which saves time and budget.

“ We use it to create content for the different countries we work with.

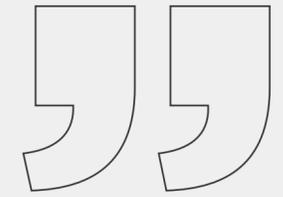
We test them in the ideation process, but we don't use them extensively in everyday life.

For help in creating advertising slogans.

For website prototypes.

We don't photograph products; we create 3D photos and animations.

Generating first ideas - invitation texts, event themes and venues, etc.



For social media content

For writing projects

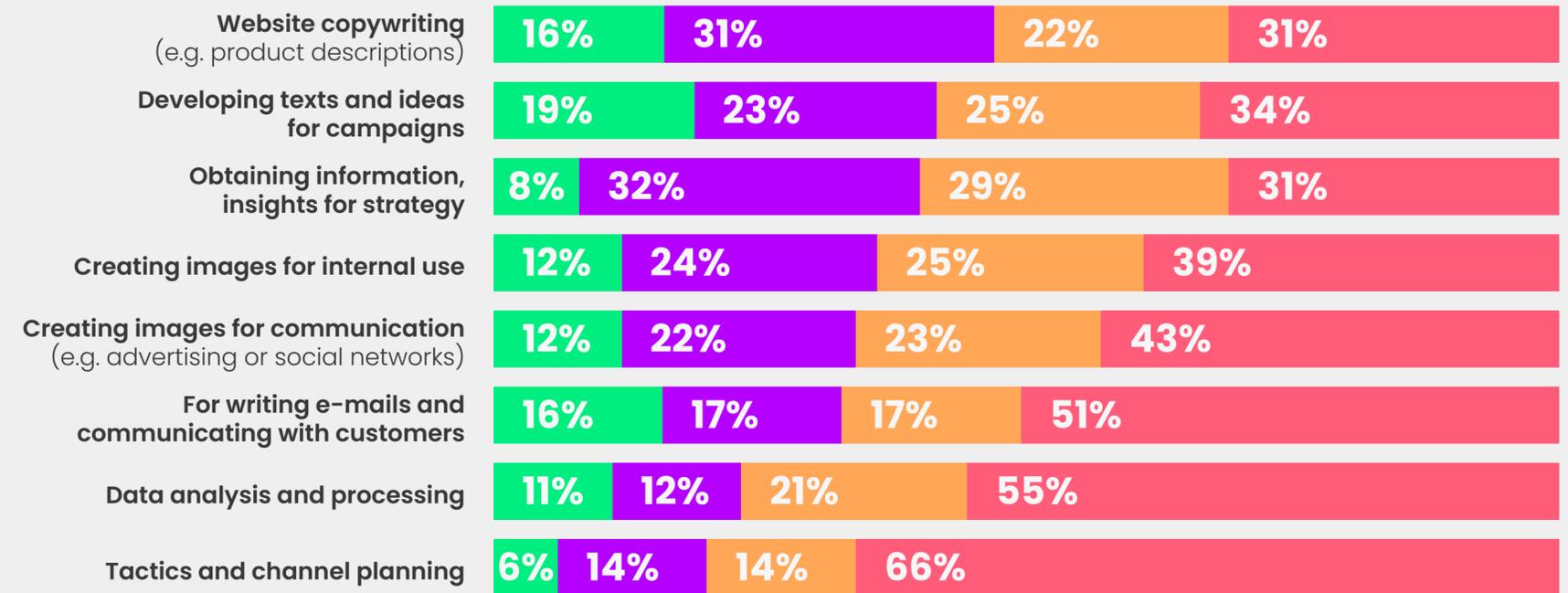
Uses of AI

We also asked about the use of AI in the form of closed statements. Around 70% of marketing teams have tried AI tools in at least one area.

AI is mostly used to create text for website content. This is where AI bots, or chatbots, play a big role, with their ability to produce product descriptions or campaign texts and ideas at lightning speed. AI chatbots are most likely used as springboards for ideation, which is the second most popular use.

AI is used least for tactics and channel planning. The reason could be that the planning capacity of AI chatbot tactics is limited and can only be used by companies with extremely simplified marketing.

Have you or anyone else in your team used AI tools/applications for these purposes?



We often use them



We use them from time to time



We've only just tried them



We don't use them

Source: Survey of marketing managers, September 2023, n=173

AI usage

Cross-section of industry and business types

AI tools are often used by companies with a focus on exports. This could be due to the need to compete with other international players. Another possible factor is the ability of AI tools to break down the language barrier that hinders communication with foreign customers.

Companies that provide services to citizens and other businesses, such as financial, insurance or telecoms companies, and arts or entertainment and community organisations, use AI tools to a greater extent. They are most likely used to optimise the content and campaign ideas generated.

Use at least one of the tools frequently

Construction, infrastructure and real estate	0%
Production, agriculture, manufacturing	30%
Retail and wholesale (incl. e-commerce)	29%
Transport and logistics	38%
Services for the public and businesses (finances, insurance and telecommunications, etc.)	43%
Consultations and professional services (legal, accounting, etc.)	14%
Art, entertainment, media and sport	54%
Public, non-governmental organisations and public administration	50%
Large (over 250 employees and turnover of more than EUR 50 million)	38%
Medium (51-250 employees and turnover of EUR 11-50 million)	27%
Small (up to 50 employees and turnover up to EUR 10 million)	31%
B2C	35%
B2B	30%
For the Latvian market	30%
For export	44%
On average	33%

Source: Survey of marketing managers, September 2023, n=173

AI tools used

Not surprisingly, ChatGPT is the most used. This OpenAI tool was the first to kick-start the AI movement as we see it today.

Midjourney comes second. What both tools have in common is that anyone can use their basic functions. However, to use the tools to their maximum potential, you need to learn how to write prompts, in particular for Midjourney.

Bing AI and Bard are also frequently mentioned as tools that are used. Initially distinguished by their ability to use the latest resources from the internet, ChatGPT has now also integrated Bing AI.

What specific generative AI tools (e.g. ChatGPT, Midjourney, etc.) have you used for your business needs?

AI tool	Number of mentions
ChatGPT	104
Midjourney	20
Bing AI	8
Bard	7
Adobe Photoshop AI Beta	5
Canva AI	4
Dall-E	4
DeepL	3
Adobe Firefly, Bing Image Creator,	9
Character.ai, Chatbot AI, DeepAI, Easy Diffusion, Framr, Grammarly, Jasper, Jitter, Leonardo.ai, Microsoft 365 Copilot, Microsoft Designer, Murf, Notion AI, Quillbot, Rytr, Stable Diffusion, Synthesia, tawk.to, Tilde AI, Voicedub	Mentioned once each

Source: Survey of marketing managers, September 2023, n=173

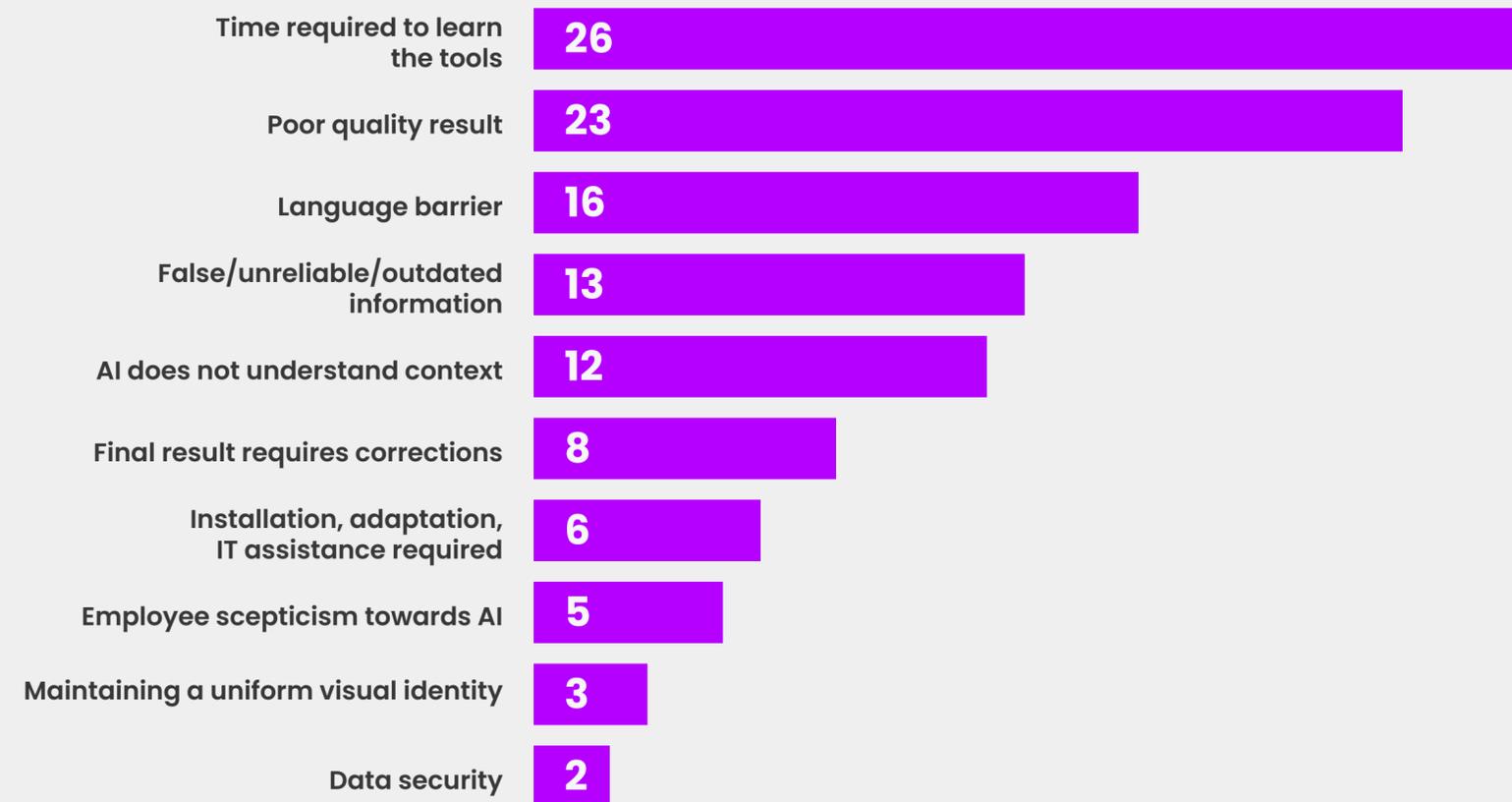
AI challenges

Most people mention poor quality results as a challenge to using AI. Oftentimes, one also encounters false information and the inability of AI to understand the context.

Respondents were also hampered by the time it takes to learn AI tools.

These indicators should be viewed as part of the big picture. Erroneous results, contextual problems, etc. directly correlate with the user's ability to use these tools. All AI tools have one thing in common – anyone can use them, but in order to make the most of their potential, you need to know how to use them.

What challenges have you faced when testing or implementing generative AI tools in your team? (number of mentions)



Source: Survey of marketing managers, September 2023, n=173

AI usage

Quotes from
"What challenges have you faced when testing or implementing generative AI tools in your team?"

Not as reliable and high quality as one might wish, partly meet the needs of the company.

” **Reluctance to try them.**

A considerable amount of work still needs to be done editing content in order to adapt the result to output that can be published.

The tools are not yet sufficiently developed, in particular to generate the images needed for human faces and interiors.

We don't know how to ask the right questions to get what we need from AI.

Preserving a single identity in images.

You have to learn to write precise "prompts", which is not easy.

A library of "prompts" needs to be created to match the image to the brand codes.

Too long, general texts.

“ Lack of sector-specific knowledge of AI tools.

Integration into existing processes and systems.

Latvian language - unable to produce well-spoken and logical texts. And the support system doesn't understand logic.

Marketing professionals comment



Normunds Zalpēteris

Latvijas Mobilais Telefons

Director of Marketing
Communication
Department



As an innovation and technology company, LMT is actively involved in research and experimentation using a variety of artificial intelligence (AI) tools, ranging from ChatGPT and Stable Diffusion to Dall-e 2 and deepfake technologies. We have used AI to create innovative ads, such as a fully AI-developed ad based on Rūdolfs Blaumanis's ballad of the Trumpeter of Tālava back in 2022. A good example is the recent Players' Night ceremony, where Eduards Smiļģis himself presented the LMT Innovation Award with the help of these technologies.

We have tried to train our website chatbot in LMT's customer support services with the help of AI, but this project was not implemented. It is important for customers to receive correct information, but AI still does not admit its biggest weakness - ignorance - so it tends to make up facts, which is of course unacceptable in client support.

In the context of the study, I am surprised that data protection is rated as one of the most negligible barriers to innovation, although in our case it is one of the most important, as the **European Union's Data Protection Regulation significantly restricts the use of data in technology companies to various AI-led data processing tools.**

Enthusiasm from both the marketing team and partners is needed to drive even faster development and more effective use of AI tools in everyday life.

As most creative solutions are now developed by agencies, they should be even more active in promoting and using AI tools in marketing.

P.S. Answer partly generated with support from AI.

Marketing professionals comment



**Elise
Bikova**

Delfi

Marketing Manager



Right now, AI is a very **interesting "toy"** that I would encourage everyone to "play" with, even if the results and overall potential have definitely not reached the highest level yet.

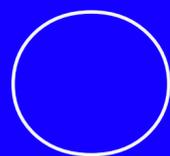
Clearly, AI is here to stay and the winner in the future will be who can use it best. Yes, when AI first appeared on the horizon, there was a great deal of anxiety among workers in countless industries that it would replace their jobs, but now everyone realises that replacing humans is not so easy, which is why it is predicted that

only professionals who do not know how to use AI to optimise, speed up and improve performance will be replaced.

Delfi is already testing various AI tools in its work, and I think this range will only expand in the future as the performance of the tools improves.

5

Better one real customer than a pair of curious eyes



In the mass media, there are a number of challenges – advertising position inflation (hence a smaller audience for the existing budget), changing audience habits, fragmentation of consumption.

Now marketing professionals have the need (and perhaps the time) to turn their attention inwards, to their own channels.

Now is the time to work on loyalty, social media, content to retain customers, deliver high-class service, and offer additional services.

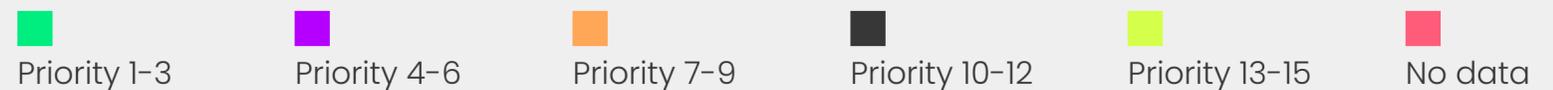
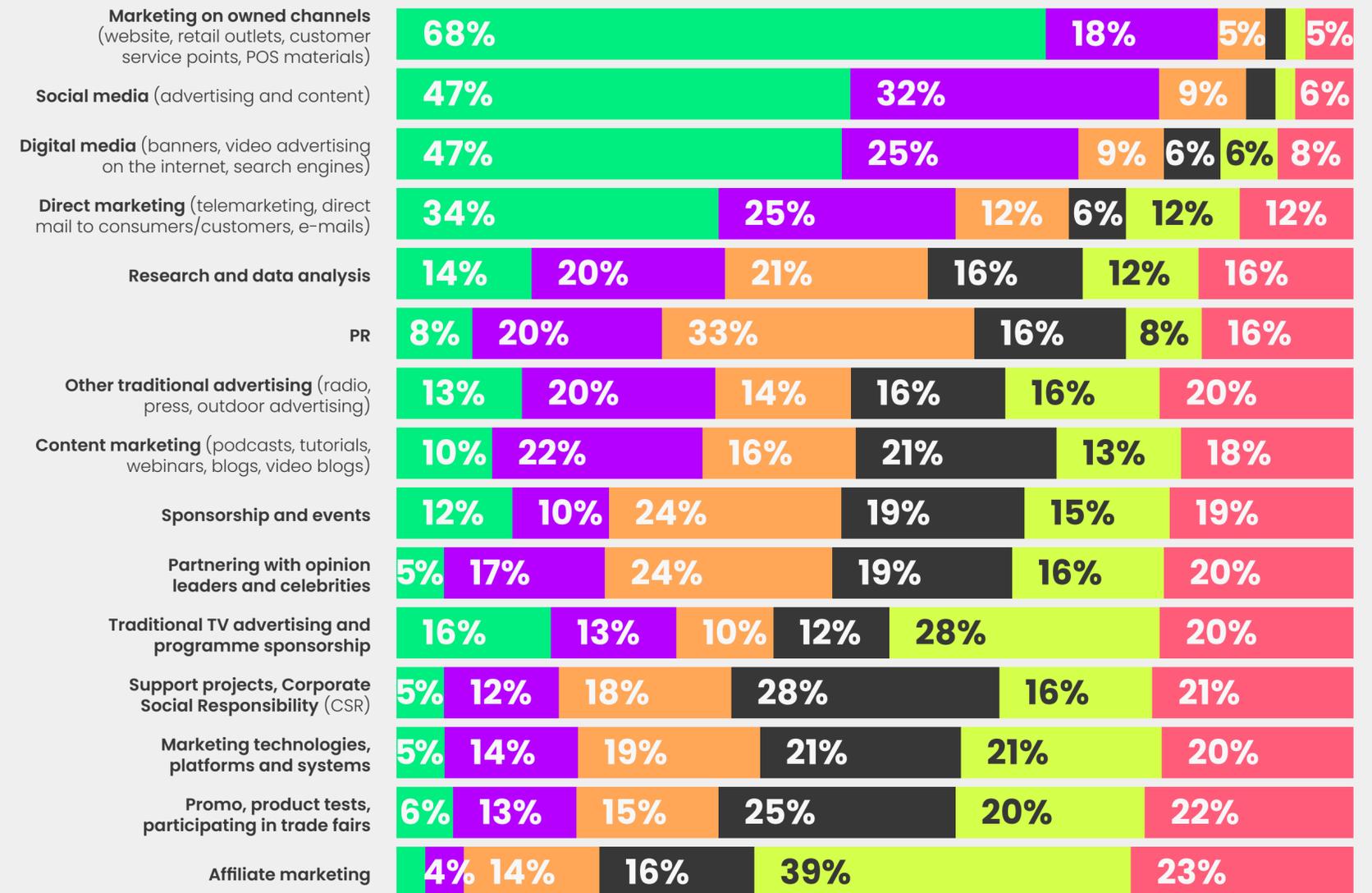
Channels

This year, marketing on own channels is the undisputed leader among communication channels. This is followed by the digital suite – social and digital media.

Direct marketing and research/data analysis rank 4th and 5th in terms of priority.

This year, for the first time, we ranked content marketing relatively high – in 8th position. Support projects and CSR, as well as marketing technology (also measured for the first year) ranked relatively lower.

Arrange these marketing activities according to priority/allocated resources within your company.



Source: Survey of marketing managers, September 2023, n=173

Channels

Cross-section of business types

Marketing on owned channels is equally important for large, medium-sized and small businesses.

For large companies, digital channels are a much greater priority, along with TV and other traditional advertising.

For medium-sized companies, public relations are much more important and are complemented by non-TV advertising (radio, press, etc.). They focus much more on support projects and social responsibility. Of course, this is influenced by the marketing budget. If there are limited opportunities to buy audience attention in the mass media, you need to find other ways to obtain it. However, this is not always a disadvantage, as with the right team and partners you can achieve equally good results.

For small businesses, public relations, content marketing and social media personalities all rank much higher. This can also be a very effective combination. This also gives small businesses more room to experiment and surprise audiences than large and medium-sized companies.

Rank	Large (over 250 employees and turnover of more than EUR 50 million)	Medium (51-250 employees and turnover of EUR 11-50 million)	Small (up to 50 employees and turnover up to EUR 10 million)
Marketing on owned channels (website, retail outlets, customer service points, POS materials)	1	1	1
Social media (advertising and content)	3	2	2
Digital media (banners, video advertising on the internet, search engines)	2	3	3
Direct marketing (telemarketing, direct mail to consumers/customers, e-mails)	4	4	4
Research and data analysis	7	5	7
PR	9	6	5
Other traditional advertising (radio, press, outdoor advertising)	6	7	9
Content marketing (podcasts, tutorials, webinars, blogs, video blogs)	10	11	6
Sponsorship and events	8	9	10
Partnering with opinion leaders and celebrities	13	10	8
Traditional TV advertising and programme sponsorship	5	13	14
Support projects, Corporate Social Responsibility (CSR)	14	8	11
Marketing technologies, platforms and systems	12	14	12
Promo, product tests, participating in trade fairs	11	12	13
Affiliate marketing	15	15	15

Source: Survey of marketing managers, September 2023, n=173

Channels

Changes compared to previous years

Although this seems obvious, own channels have not always been a priority. In 2021, when we started the study, digital channels ranked first and social media second. It was a time of growth in e-commerce, when many businesses developed online offerings.

This now seems organic and right that marketing is returning to the classic priorities - owned channels - and companies are also able to take the time to organise their websites, marketplaces and other facilities.

We also accept that economic challenges create the conditions to focus on streamlining existing efficiency rather than focusing on aggressive growth through external channels.

Arrange these marketing activities according to priority/ allocated resources within your company.

Rank	2023	2022	2021
Marketing on owned channels (website, retail outlets, customer service points, POS materials)	1	2	3
Social media (advertising and content)	2	1	2
Digital media (banners, video advertising on the internet, search engines)	3	3	1
Direct marketing (telemarketing, direct mail to consumers/customers, e-mails)	4	4	4
Research and data analysis	5	5	6
PR	6	6	5
Other traditional advertising (radio, press, outdoor advertising)	7	7	7
Content marketing (podcasts, tutorials, webinars, blogs, video blogs)	8	-	-
Sponsorship and events	9	8	8
Partnering with opinion leaders and celebrities	10	9	-
Traditional TV advertising and programme sponsorship	11	11	10
Support projects, Corporate Social Responsibility (CSR)	12	-	-
Marketing technologies, platforms and systems	13	-	-
Promo, product tests, participating in trade fairs	14	10	9
Affiliate marketing	15	12	11

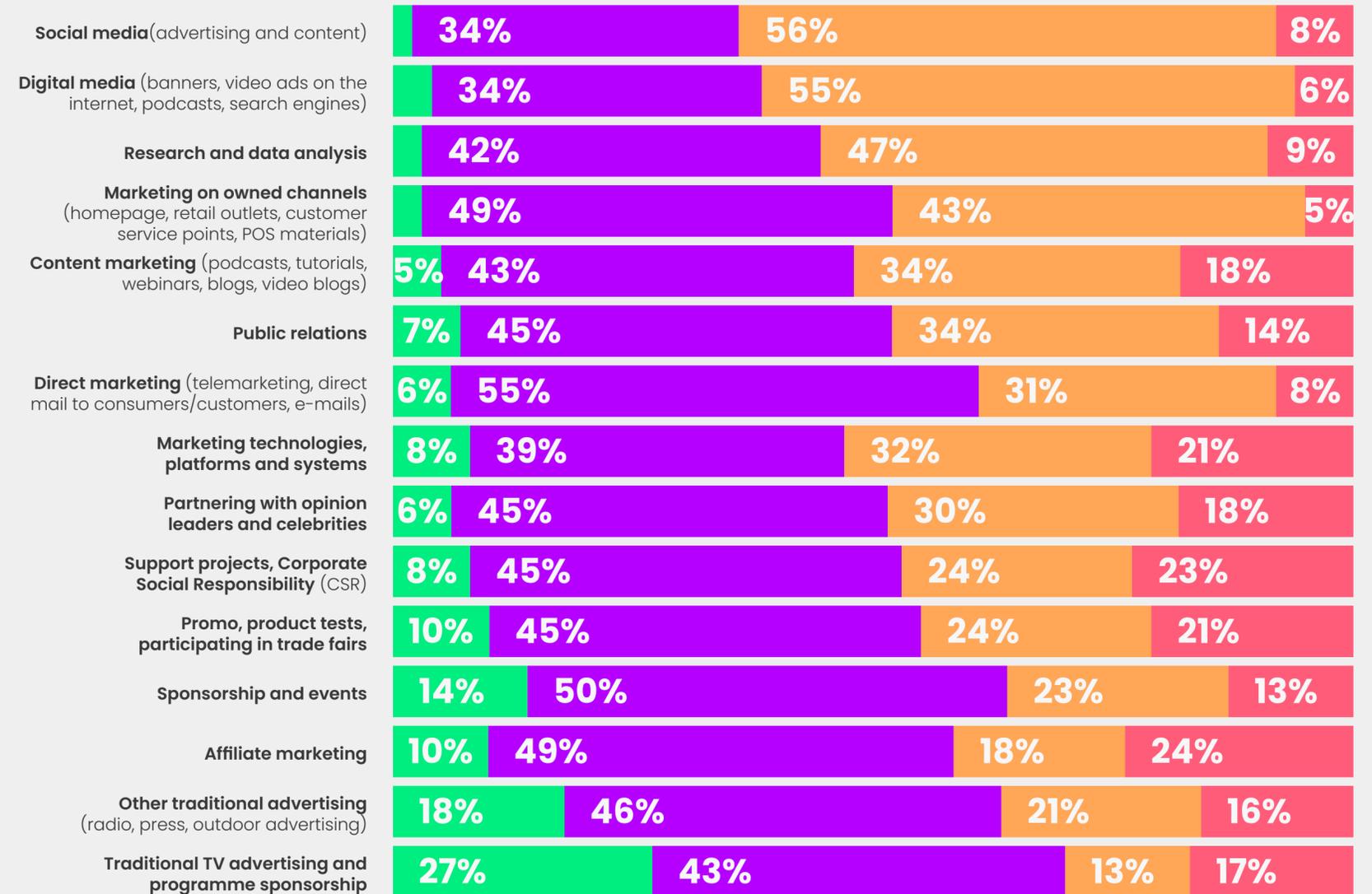
Source: Survey of marketing managers, September 2021-2023

Channel forecasts

It is forecast that social media, digital media and research and data analysis will experience the biggest boost in significance in the coming year.

In turn, the biggest fall has been observed in TV and other traditional advertising.

How might your company's priorities/resources (time, manpower, budget, etc.) for these marketing activities change in 2024?



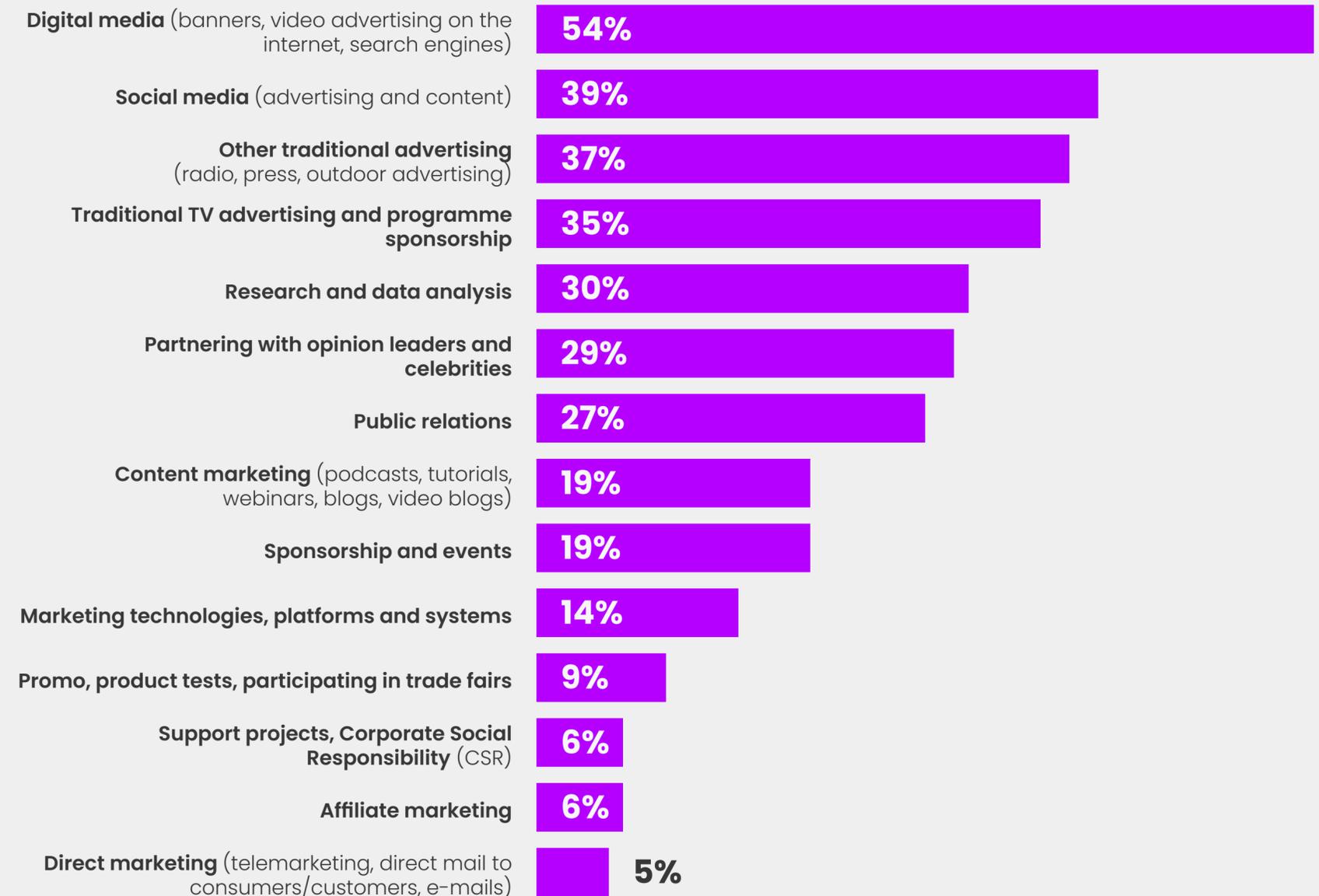
Source: Survey of marketing managers, September 2023, n=173

Engaging agencies

Marketing teams mostly plan to use agencies in digital media (more than ½). This corresponds to the high rating of digital competences.

However, a large share will also hire agencies in other media areas such as social media, TV and non-TV traditional advertising. These have traditionally been seen as areas where external expertise is essential.

In the case of which marketing activities do you delegate significant responsibility (more than half) to agencies/partners?



Source: Survey of marketing managers, September 2023, n=173

Engaging agencies in relation to importance

If the role of a channel grows significantly, it is often necessary to bring in additional resources and external partners to implement these new priorities. We therefore compare changes in channel priorities and the urgency of delegating to partners.

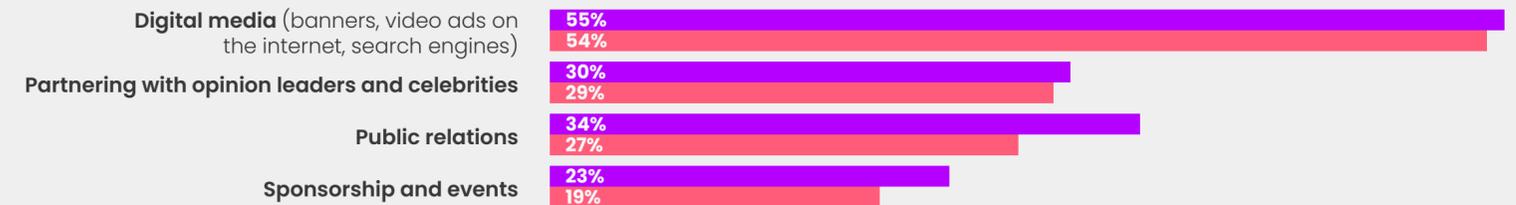
Channels such as digital media, engagement with opinion leaders and public relations are channels with an increasing role and will be delegated to partners as appropriate.

Social media, research and content marketing – their role is growing, but will mostly be done in-house, with fewer partners being hired.

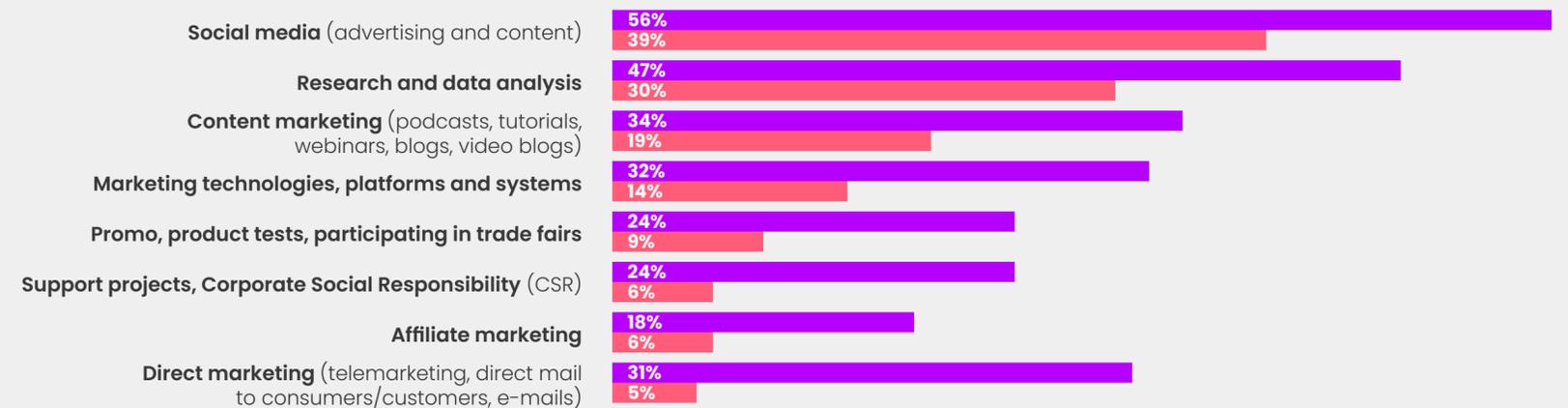
TV and non-TV traditional advertising are channels for which, although their role will grow for a small section, a significant part will be delegated to partners.

In which marketing activities do you delegate significant responsibility (more than half) to agencies/partners?

The role of the channel is growing and is delegated to partners



The role of the channel is growing, but they do it themselves



Classically "entrusted to agencies", although the role has not grown much



■ Increase
 ■ To be delegated

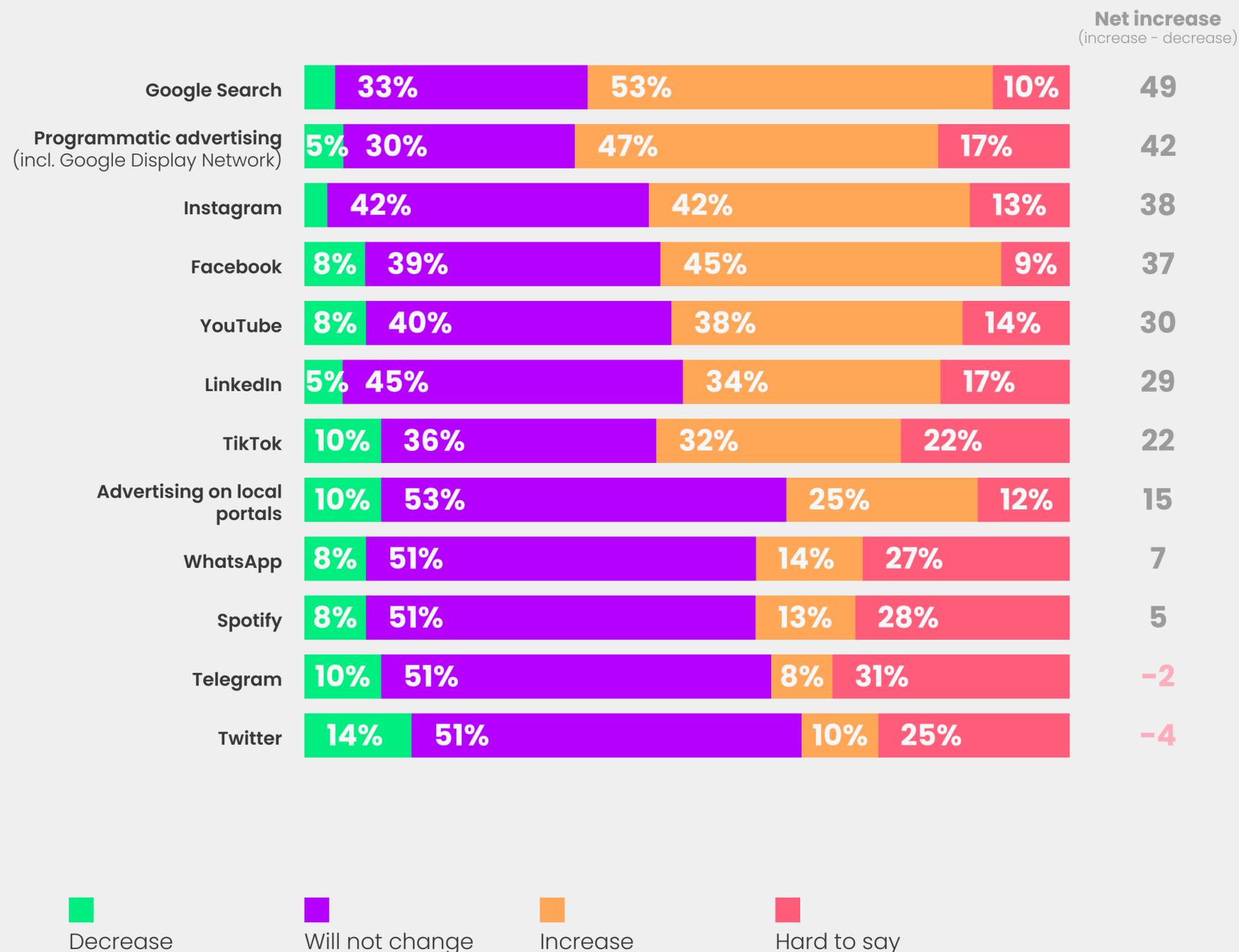
Source: Survey of marketing managers, September 2023, n=173

Digital channels

Most of the growth is forecast for Google search and programmatic advertising (e.g. Google Display Network). These are channels with a significant opportunity to automate and measure the return on advertising campaigns, which is particularly relevant in economically challenging times.

The social networks with the greatest interest are Instagram, Facebook, followed by YouTube.

How do you predict that the importance of these digital channels will change for marketing within your company in 2023?



Source: Survey of marketing managers, September 2023, n=173

Digital channels

Changes compared to previous years

The biggest changes are linked to the rise in the popularity of programmatic advertising, which has become one of the most in-demand digital channels.

Likewise, there has been a notable decline in interest in Facebook and Instagram.

How do you predict that the importance of these digital channels will change for marketing within your company in 2023?

Rank	2023	2022	2021
Google Search	1	2	1
Programmatic advertising (incl. Google Display network)	2	4	7
Instagram	3	3	3
Facebook	4	1	2
YouTube	5	5	5
LinkedIn	6	6	4
TikTok	7	7	8
Advertising on local portals	8	8	6
WhatsApp	9	9	-
Spotify	10	12	9
Telegram	11	11	-
Twitter	12	10	10

Source: Survey of marketing managers, September 2021-2023

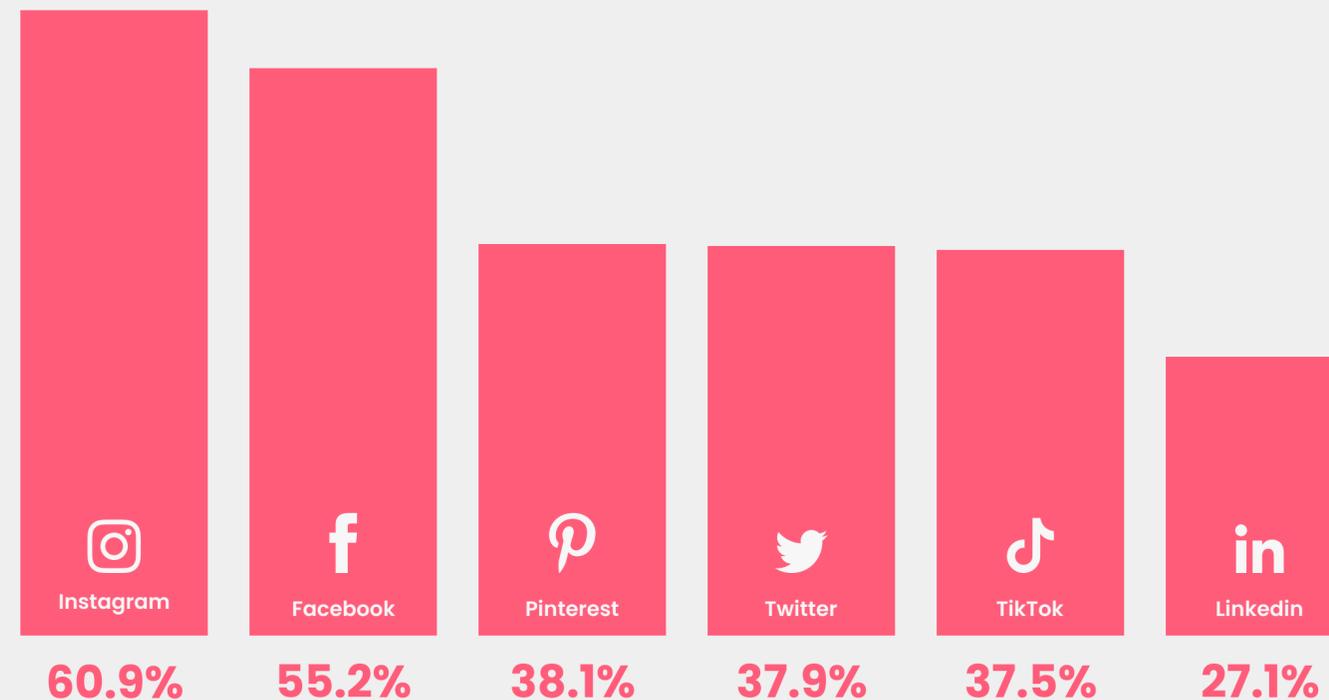
Global trends

Interest among Latvian marketers matches digital trends globally. At the start of 2023, we could already see a global decrease in interest in Facebook, with time spent increasing only slightly (+8 min/month), while Instagram consumption increased significantly (+46 min/month).

Consumers' Instagram and Facebook usage habits are vary. Globally, people already follow brands more on Instagram (61%) and less on Facebook (55%).

In addition, the purposes of use differ. Facebook's most popular use is as a communication tool (Messenger), while Instagram is used to share content and videos. This also means more active involvement in the brand's content.

Follow and research brands and products (% of active users)



-32 min
compared
to 2022

YouTube
23 hours 09 min/month

+8 min
compared
to 2022

Facebook
19 hours 43 min/month

-1h 15 min
compared
to 2022

WhatsApp
17 hours 20 min/month

+46 min
compared
to 2022

Instagram
12 hours 00 min/month

Source: We are social, Meltwater 2023

Marketing professionals comment



**Ivars
Lubāns**

Go3

Product Team Leader



Go3 is constantly testing different media and forms of communication to find the most appropriate media mix. This is very important because we see that the situation is dynamic and methods that were not effective in the past have now become relevant, and vice versa: there are media in which the effectiveness of communication is declining.

I would like to highlight some communication channels which, in my opinion, although they are at the top/middle of the survey, do not receive enough attention in practice. These are **direct marketing, content marketing and public relations**. These forms of communication offer a lot of room for creativity and out-of-the-box approaches, which require an open mind from the marketing team, agencies and partners.

However, I would like to conclude by asking us all a question: "What do we want to say, and how best can we "package" it?" Communication channels are the only way to reach the final consumer.

Almost any combination of media can have a positive effect if the message conveyed is understandable and appealing to the consumer.

Conversely, a very well-developed media plan will at best produce mediocre results if the message is unclear and poorly presented.

Marketing professionals comment



Gundega Laugale

SIA Maxima Latvia

Director of Marketing Department



The fragmentation of media consumption is a real challenge for all companies, regardless of their size. It's all about the product and the audience we want to reach. Even if your future customer might still watch TV, without the support of digital and

social media, they are likely to be hard to reach. But digital channels alone may not be sufficient.

This results in a vicious circle and is reflected in the size of the marketing budget.

The results show that a large proportion of you have

rolled up your sleeves to build **zero-cost marketing on your own channels and social media**. Those who once created brand success stories with online personalities will continue to use them, despite the soaring costs of hiring online personalities. And they will also be used by those who have not yet really learned how to build fruitful partnerships with opinion leaders. This is perfectly legitimate. Growing media should be tested and invested in provided that they have the potential to reach your target audience.

However, I see in the study that there are also declining media, whose power is ebbing away, but unfortunately the basic economic law of supply and demand does not apply to them in real life. We are seeing a situation where, even as **ratings are going down, media prices are going up, and I don't see this as being sustainable**. So in the coming year, I advise every marketing professional to find their most precise media mix that does its job and helps them reach their target audience. Good luck!

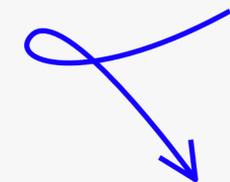
*Appendix

Mission

The mission of the "Latvian Marketer's Toolkit" is to provide a comprehensive review of the Latvian marketing scene in terms of both content and form. The goals of the study are to create data-based efficiency benchmarks, and to offer uniform and sufficiently universal criteria, according to which marketing experts can evaluate their plans, ideas and implemented projects.

Edition No.3

It is planned that the "Latvian Marketer's Toolkit" will be published annually in order to create comparable results and observe trends in the Latvian marketing environment.



Contributors

WKND

"WKND" is an advertising agency that provides creative and strategic consulting services to leading companies in Latvia and overseas, helping them to transform and grow.

norstat

"Norstat" is one of Europe's leading market research companies that specialises in data collection. "Norstat" innovations and solutions provide partners with high-quality data for decision-making and analysis.

Delfi

"Delfi" is Latvia's leading news media channel, providing the broadest and most comprehensive coverage of what's happening in Latvia and the world every day. It has the largest audience - 900 000 users on average per month, of whom more than 21 000 are already subscribers to "Delfi". "Delfi" has been repeatedly voted by its audience as the most loved media brand in Latvia and the Baltics.

Research methodology

The study produces comparable results and monitors trends in Latvian marketing.

The opinions collected in the study are those of marketing managers and other specialists responsible for marketing strategies and plans at their companies. Several hundred marketing specialists were addressed in various industries, placing a particular emphasis on the Top 500 biggest companies in Latvia. The study was also promoted to the public. Any marketer who meets the study's criteria could take part.

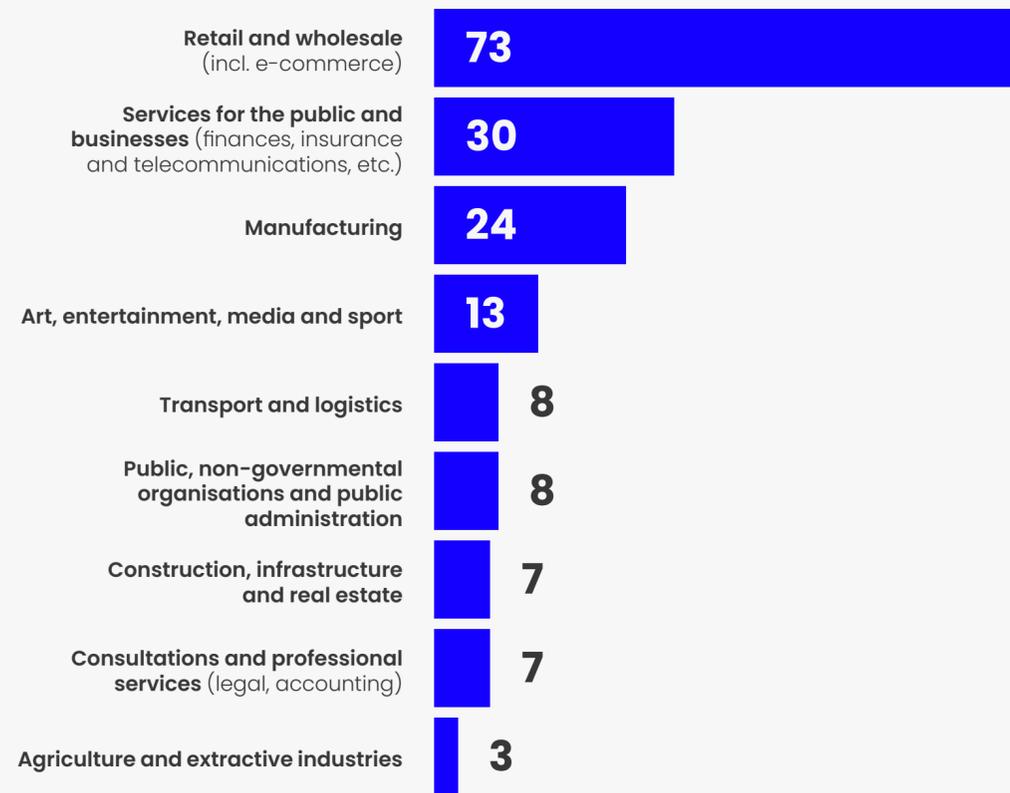
The research method is a computerised interview online or CAWI.

The market research company NORSTAT carried out the survey, ensuring its anonymity, data collation and quality control. A total of 173 opinions were obtained from professionals involved in developing their companies' marketing strategies.

Study participants

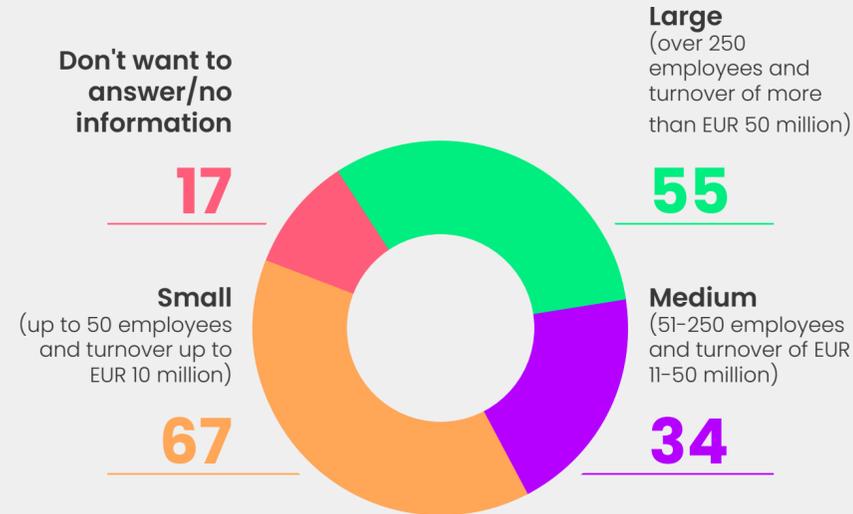
Which industry does your company operate in?

If it operates in several, please indicate the main one.

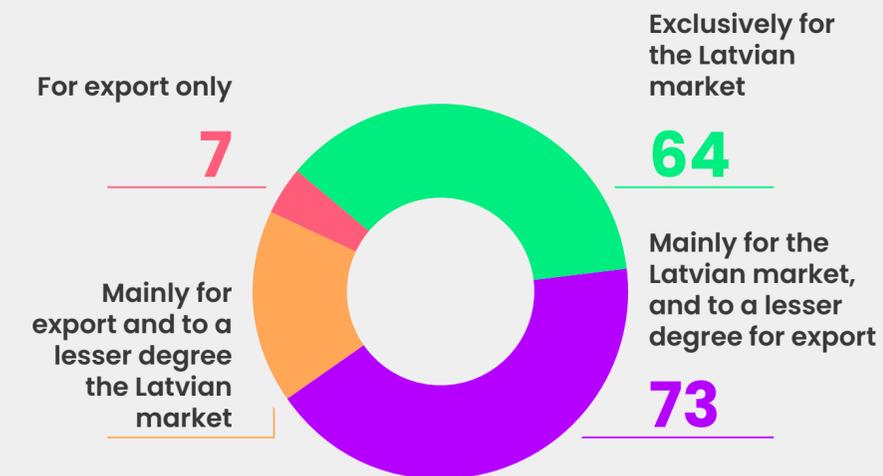


Source: Survey of marketing managers, September 2023, n=173

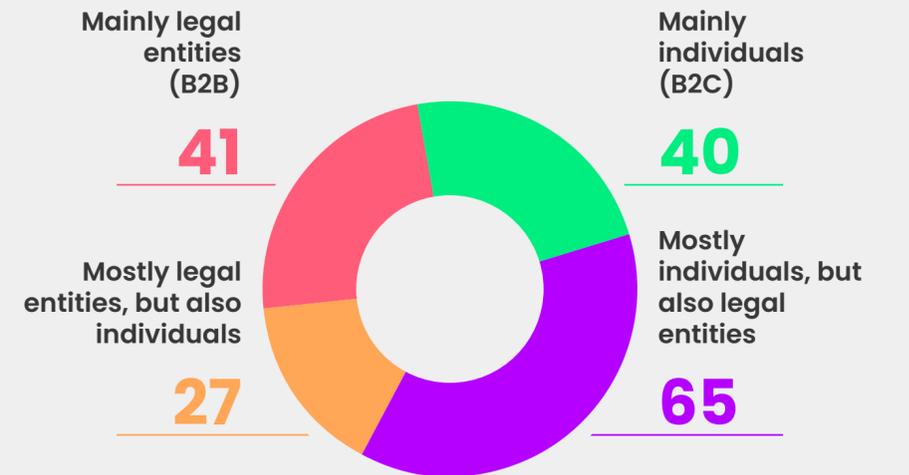
In terms of Latvia, how big is your company?



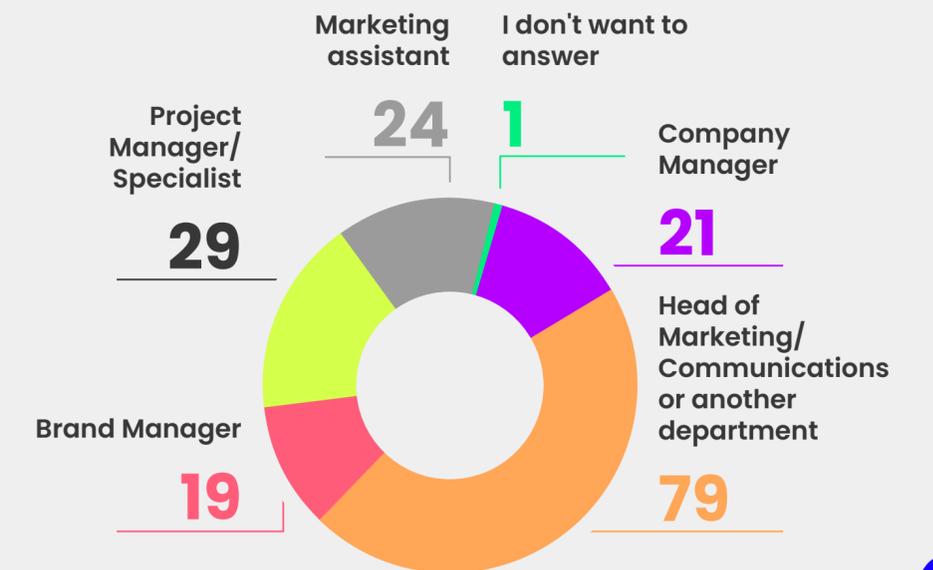
What market does the company you work for serve?



Who are your company's clients?



What is your position/role within the company?



Research performance partner

norstat

Know your world

Founded in 1997 in Norway, Norstat is one of the largest and leading research companies in Europe. Using fair and transparent data collection methods, Norstat provides high quality data on any desired subject or target group.

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Interviews per year

+ 9 million

Projects completed every year

+ 19 000

High quality data for important decisions



Clients

> 1 800

Talented and dedicated employees

+ 250

Countries with panellists

19

Number of respondents*

+ 3 million

15

offices in European countries

* total number of respondents in all countries

2023

Latvian

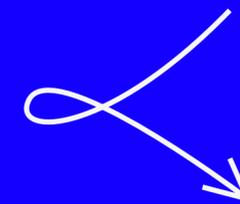
Marketer's

Toolkit

norstat **WKND** **Delfi**

Next survey in
August 2024.

To take part:
Leave your contact info here:



Aizpildīt anketu

Contact us if you would like to receive in-depth information about the study, specific data samples or comments:

anna@wknd.lv