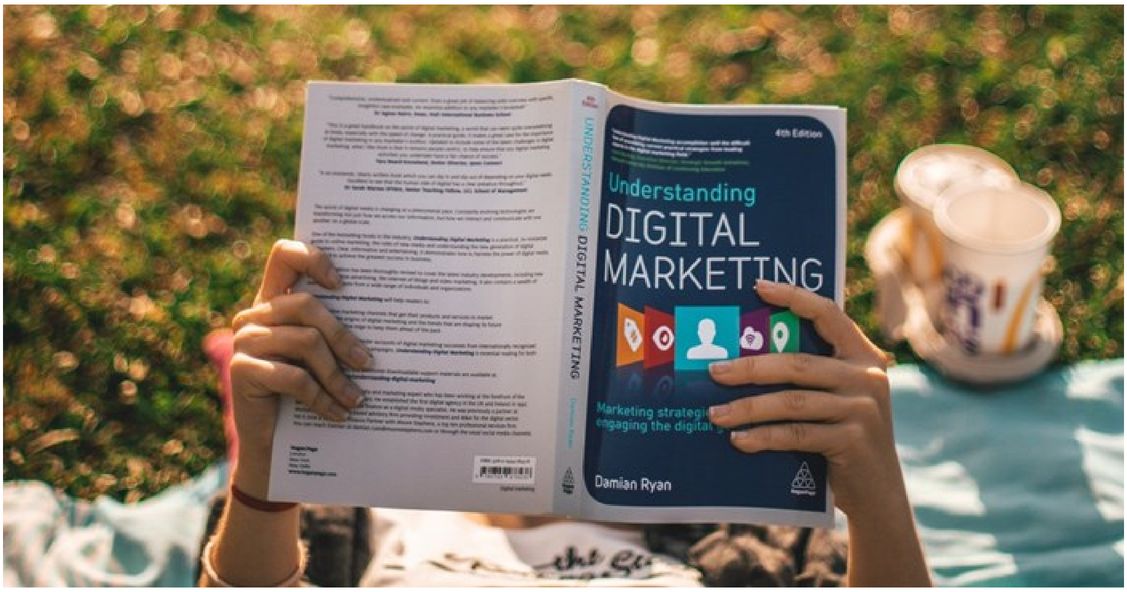
Scopen: Digital marketing in Brazil gets the chunk of the budget

The ninth edition of the *Agency Scope* study in Brazil(2022/23) has found that half of the marketing budget is allocated to digital.



Source: www.unsplash.com

This report analyses communication trends in the country, relationships between advertisers and their agencies, and their image in the market.

The results obtained are compared with those of previous editions, as well as with the rest of the countries where the study is carried out: Argentina, Chile, China, Colombia, Spain, India, Mexico, Portugal, Singapore, South Africa and the UK.

In this edition of the study, a total of 785 professionals have been interviewed: 372 marketing executives from 272 advertising companies and 413 professionals from 86 different agencies, representing the analysis of more than 700 advertiser-agency relationships. Amongst the marketing managers interviewed, the majority work in Sao Paulo (85%), there are more women (57%) than men, they have an average age of 40 years and have been working in their company for almost seven years and more than four in their actual position.

The position with the most representation is that of director of marketing/advertising (29%). Half of them work in foreign multinationals and, above all, in the service sector (47%). Agency managers also work mainly in Sao Paulo (90%), they are mainly men (55%) with six years of seniority in their company and five in their current position. The agencies with the most representation in the study are integrated/advertising agencies (64%) and, for the most part, belonging to multinational networks (62%). The position of the professionals interviewed is, above all, managerial (97%).

The field work was carried out between the months of May to September 2022.

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Johanna McDowell 9 Jan 2023

The investment ratio in marketing-communication-advertising of advertising companies in Brazil (vs. their billing) is, in this edition, 3.5%. A figure slightly higher than that declared in 2020 and in line with the average for the period of 2014- 2020 (3.8%). With the exception of India and South Africa, where the ratio exceeds 4%, the average level of the other nine markets analysed is 2.6%.

In Brazil, the budget percentage allocated to the digital area continues to rise and, this year, reaches 49.9% (45.1% in 2020). A figure that has more than doubled in the last eight years. Brazil is the second market of the eleven where the *Agency Scope* is carried out with the largest marketing-communication-advertising budget allocated to digital, only surpassed by China and Mexico, which occupy the first place.

Brazilian marketers allocate 34.2% and 15.9% respectively to the ATL and Live Marketing areas. Among the different digital disciplines, in line with what we see in other markets, the one with the highest budget is paid digital media (39.3%), followed by social media and influencers (28.2%) and search engines -SEO /SEM- (16.2%).

On the other hand, when marketers talk about the agency disciplines that they consider key for their companies, the five most mentioned are (in the following order): strategic planning, digital strategy, creativity, media planning and data (analytics/measurement).

The duration of relationships between advertisers and their agencies decreases

The average duration of the advertiser-agency relationship in Brazil is 3.7 years, compared to 4.1 years in the previous edition. However, some significant differences are observed in the duration of the relationships, depending on the size of the companies that are serviced and the type of agency. Thus, independent agencies and medium-sized companies have a shorter average duration (2.9 years) whereas when it comes to relationships between group agencies and large companies, the duration is longer (3.9 years).

80% of advertisers work with their agencies on an ongoing basis

In Brazil, eight out of ten advertisers work with their agencies continuously and two out of of ten do so on a project basis. Group agencies and large advertising companies are the ones that declare the highest percentage of continuous relationships.

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In addition, relationships per project are shorter and, while in 2020 an average duration of 6.6 months was declared, in this edition that figure drops to 5.4 months. Compared with other markets, China is the market where more work is done by project (51%) whereas Chile is where more work is done continuously (88%).

The percentage of advertisers who pay their agencies with a bonus at the end of the year has almost doubled

This edition, we find that 14.9% of the accounts analysed remunerate their agencies with an additional at the end of the year, as recognition for the excellence of the work carried out (8.9% in 2020). Group agencies are the ones that receive this bonus the most, which, on average, represents 15.4% of annual remuneration.

Among the countries analysed, Chile is where advertisers resort to using a bonus the most, 36.2% of the time, and China, where it is used the least (12%).

The most outstanding campaigns of the last two years

When advertisers highlight the best campaigns that have been carried out in the last two years in Brazil, we find Itaú in the first place of the top 3, rising two positions, McDonalds which rises six and reaches second place, and Burger King which is positioned third (first in 2020).

It is worth noting Avon, which this year occupies the ninth position, having not been mentioned in the previous edition.

The companies most admired for their marketing

As for the companies that marketers admire the most for their marketing and communication trajectory, the most mentioned is once again Itaú, which rises to first place (#2 in 2020), McDonalds, which rises six positions and reaches second place, and Burger King, which rises from fifth place and manages to occupy third place this edition.