

/2022

Latvian

Marketer's

Toolkit

An anticipated recession
does not cancel plans for growth

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Introduction

For the second year running, we present our Latvian Marketer's Toolkit, for which we interviewed almost 200 Latvian marketing professionals during 2022.

Although the coming year promises to be challenging, we see that the majority of marketing managers have prepared action strategies that will serve as a secure foundation for future prospects.

In this review, we look at these strategies and invite you to consider them as *possible scenarios* that you may draw on for whatever might work best for your business.

This year, we also asked select marketing managers to tell us about their experience and comment on the main conclusions of this year's review. We believe that this is an important contribution to the research data.

Although economic challenges are undeniably preoccupying and affecting the entire marketing sector, this is not the only *issue* marketing professionals face. An expected recession does not cancel plans for growth, and for this reason, we also shine a light on current trends – how to manage marketing teams and introduce marketing technologies. Finally, we look at current trends, channel choices, and compare Latvia's priorities with marketing around the world.

Main findings and conclusions



1

Ready for a possible recession; armed with a wide-ranging toolkit

Marketing managers' super optimistic outlook has subsided this year and been replaced by a realistic perspective and plans for surviving a potential recession. The most popular strategies are cost optimisation, adjusting offerings and improving communication channels.

2

Increasingly managing strategic and creative jobs in-house (DIY)

Strong and competent marketing teams will increasingly be able to handle strategic and creative tasks themselves. Media buying and planning, social media communications, research and data collection are the key functions that teams will continue to outsource.

3

Insufficient knowledge and resources impair our ability to take full advantage of marketing technologies

In the interests of efficiency, it is often marketing teams that kick-start a company's wider adoption of technology. For the best possible results, responsibility for adopting and implementing them should be shared, involving other departments and management too.

4

Marketing is returning to the goals it can directly influence

The crisis stimulated the rapid growth of e-commerce, and marketing also assumed responsibility for sales goals, which, *in theory*, it could not directly influence. This year, we mark the return to classic marketing KPIs: brand awareness, interests and consideration.

5

Trends of recent years will continue to be relevant

Macroeconomic circumstances affect but do not cancel other trends and plans, which are already under way. In planning next year's marketing activities, we continue to factor in environmental sustainability, the younger generations in the labour market, and mental and physical wellbeing.

1.

Ready for a possible recession; armed with a wide-ranging toolkit

Marketing managers' super optimistic outlook has subsided this year and been replaced by a realistic perspective and plans for surviving a potential recession. The most popular strategies are cost optimisation, adjusting offerings and improving communication channels.

The marketing managers' optimism index has fallen from 39 to 13

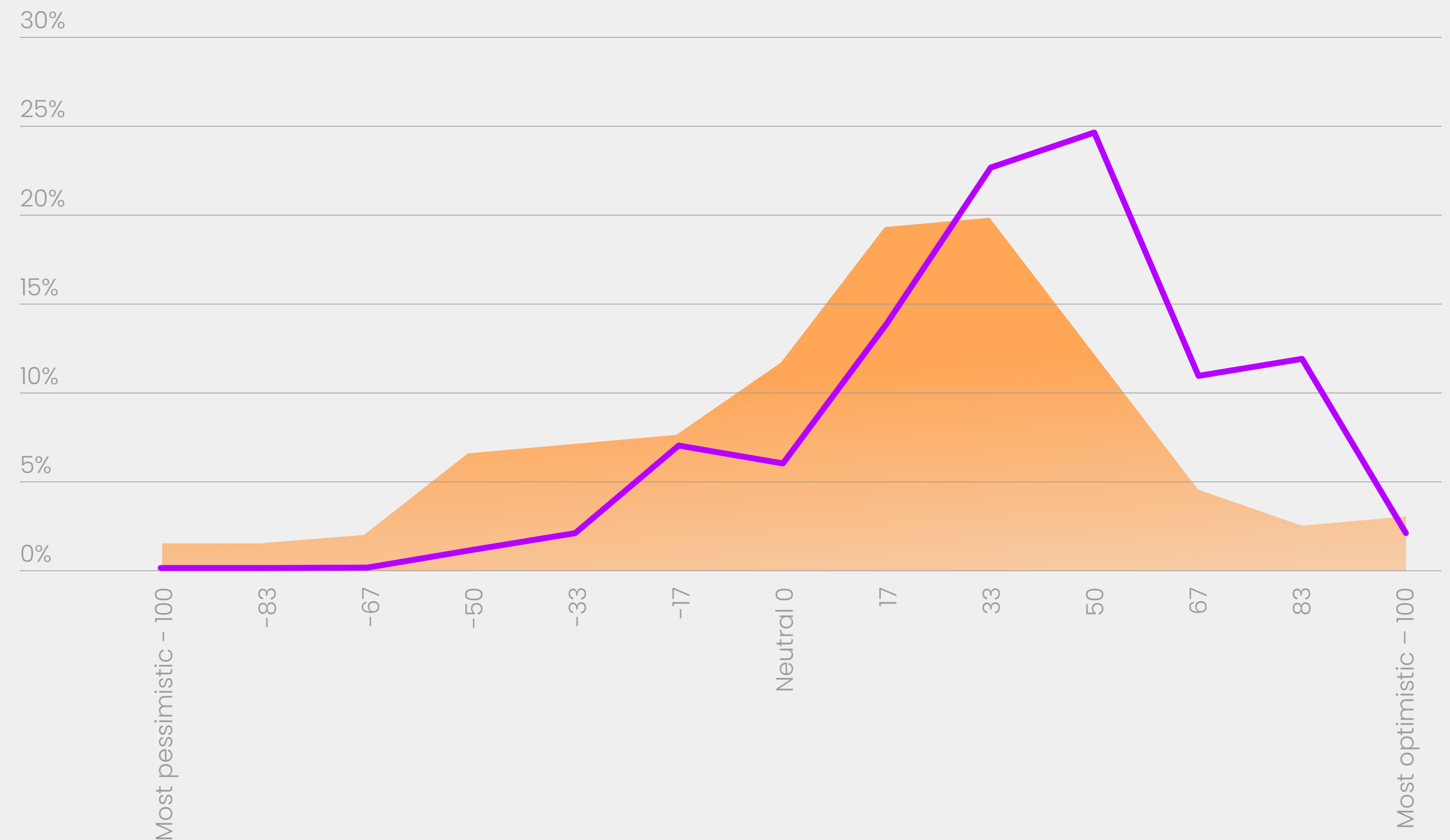
We compile the optimism index based on 3 indicators:

- 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

Compared with the 2021 survey, it has fallen significantly, but the average is positive.

This means that for the majority, at least one indicator of optimism is positive.

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



2022 2021

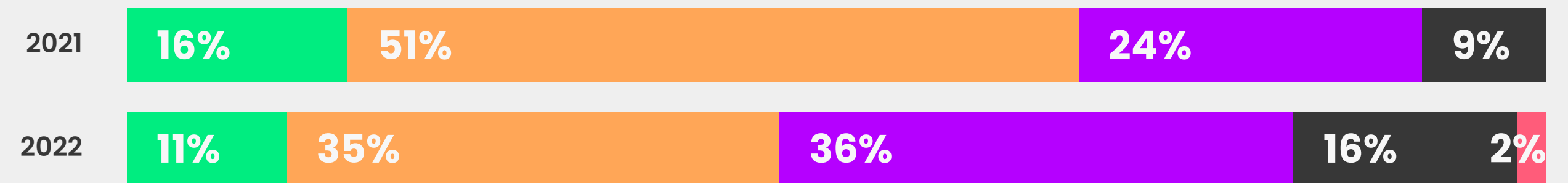
Source: Survey of marketing managers, September 2022. n=196
Source: Survey of marketing managers, September 2021. n=103

Over half have a positive outlook on the future

Marketing budgets received the harshest judgment – 1/3 responded that they will decline, and another 40% are *on hold* in the belief that they will remain at current levels.

Still, in terms of future development, more than half have a positive outlook, although the drop from 83% in 2021 is significant.

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

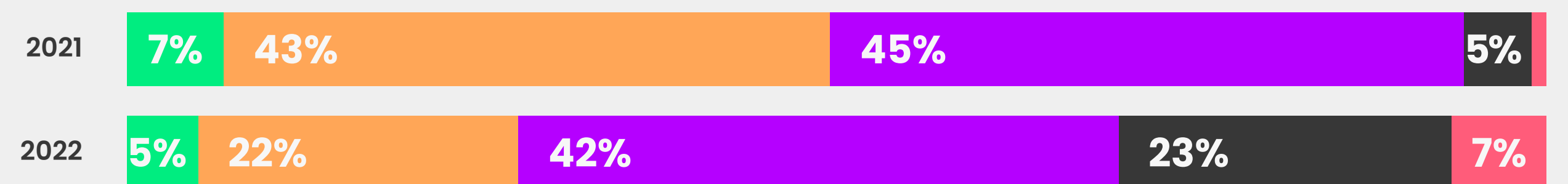


.. The potential development of your company over the next 12 months



■ Very positive
 ■ Positive
 ■ Neither positive, nor negative
 ■ Negative
■ Extremely negative

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



■ Increase significantly
 ■ Increase
■ Will not change significantly
■ Decrease
 ■ Decrease significantly

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

Cross-section of industry and business types

The level of optimism is largely dependent on the sector:

- Public, non-governmental organisations and public administration, agriculture and extractive industries, construction, infrastructure and real estate received the highest rating.
- Transport and logistics is the only sector to report a higher optimism index than in 2021.
- The consultation and professional services sector and B2C and B2B service sectors reported the lowest rating. It is also significantly lower than in 2021.

Compared to marketing managers and specialists, CEOs are much more pessimistic.

Optimism index (from -100 to 100)	2021	2022	Changes in 2021/2022
Public, non-governmental organisations and public administration	53%	31%	-
Agriculture and extractive industries	50%	29%	-
Construction, infrastructure and real estate	33%	26%	-
Transport and logistics	17%	23%	+
Art, entertainment, media and sport	37%	17%	-
Retail and wholesale (incl. e-commerce)	35%	12%	-
Manufacturing	40%	9%	--
Services for the public and businesses (finances, insurance and telecommunications, etc.)	35%	2%	--
Consultations and professional services (legal, accounting, etc.)	53%	-4%	--
Export markets: mostly business clients	49%	21%	-
Export markets: mostly individual clients	54%	18%	-
Local market: mostly business clients	40%	12%	-
Local market: mostly individual clients	29%	12%	-
Marketing or department management	38%	21%	-
Specialist	36%	13%	-
Company management	50%	5%	--

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

A wide-ranging toolkit

We asked marketing managers an open question on how they are preparing for the recession.

Often, *the toolkit* contains financial instruments – cost optimisation is the most popular measure. Interestingly, some companies are planning for the opposite – they plan to increase investments, so situations and strategies vary.

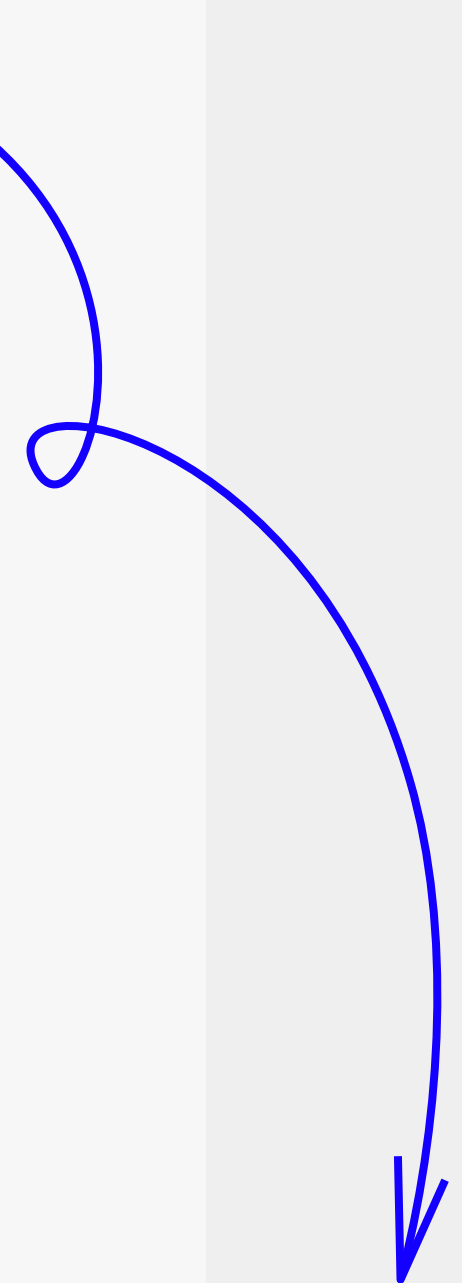
The second most popular route is changes to and optimisation of products. In terms of offerings, many marketing managers mention prices and promotions as a tactic, but this route is not uniform. Both rising and reducing prices are mentioned.

Many scenarios speak of improving marketing. Tools range from minor adjustments to communication channels through to radical steps, such as changing the customer focus and entering new markets.

In regard to changing communication channels, focusing on social media and free channels often comes up. However, here one must mention that free channels are never quite free when it comes to reaching wide audiences in a quality manner.

The next 1-2 years are likely to bring significant economic challenges and a reduction in consumer purchasing power.

How is your marketing department preparing for this? (open question)

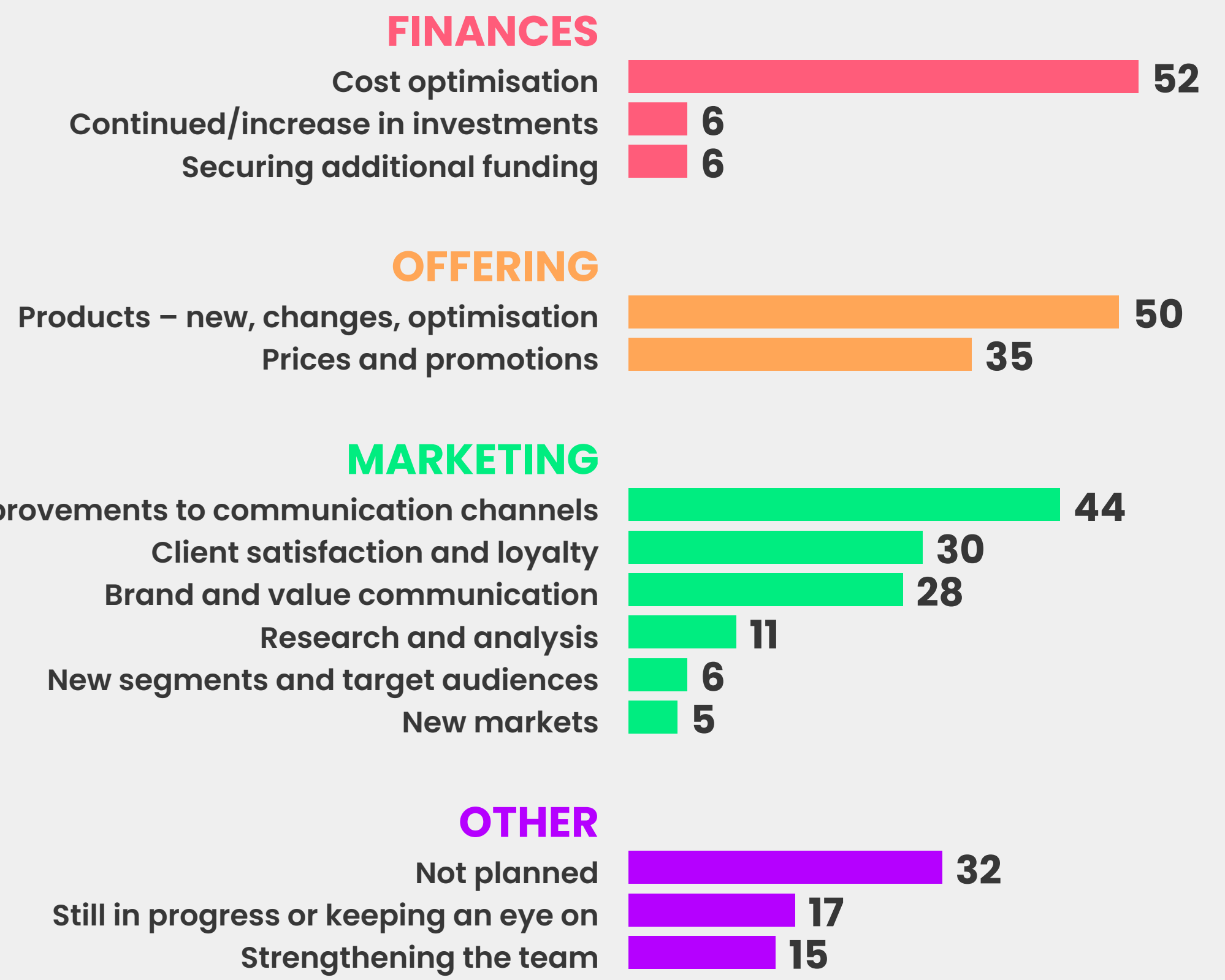


Worldwide

31% will increase investments in brand marketing

46% will increase investments in *performance* marketing

Source: WARC The Marketer's Toolkit 2023.



Source: Survey of marketing managers, September 2022. n=196

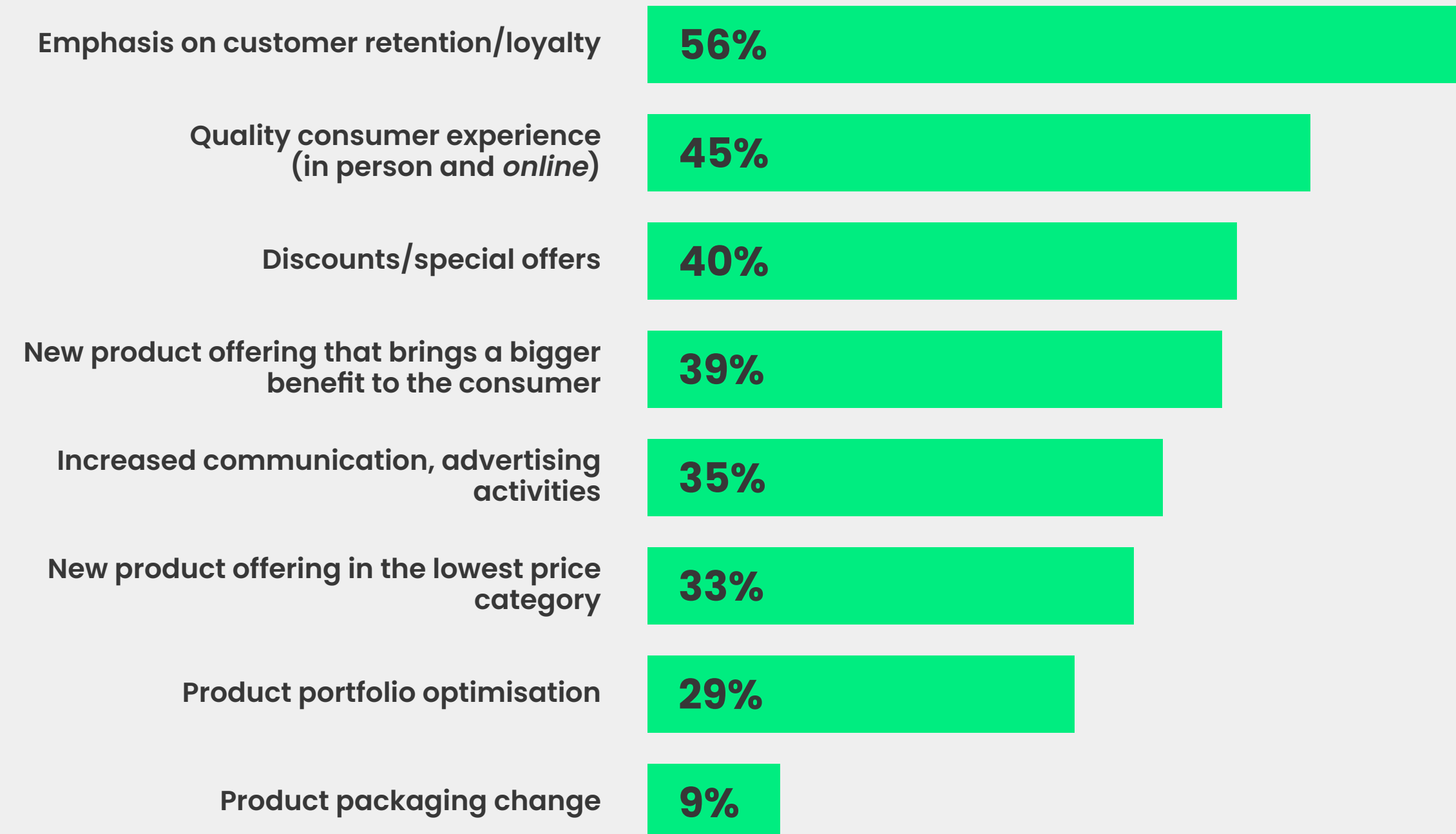
What else is on the agenda?

In addition to the open question, we asked about specific things that they intend to do.

Over 56% will put an emphasis on customer retention and loyalty, which were not mentioned among the most popular scenarios in the open question. Boosting loyalty is the day-to-day job of marketing and is not viewed as a special tactic to beat the recession.

However, it has great power and potential, especially if it is communicated more widely, reinforcing the perception of brand value.

In addition to what you mentioned in the previous question, what else will you focus on in order to overcome the economic challenges?



Source: Survey of marketing managers, September 2022. n=196

What are marketing people saying?

(quotes from the survey)

The next 1-2 years are likely to bring significant economic challenges and a reduction in consumer purchasing power. How is your marketing department preparing for this? **(open question)**

FINANCES

Cost optimisation

"Developing organic flow as much as possible and reducing advertising expenditures."

"Personnel cost optimisation."

"We're ready for budget reductions at any time."

Continued/increase in investments

"We're not going to defer investments in development and communication."

"Adopting the latest technologies."

Securing additional funding

"Securing external funding."

"We're working on projects and securing funds."

OFFERING

Products – new, changes, optimisation

"Product offers with a lower price per purchase (smaller packages)."

"Economy class offer."

"We're increasing existing product sales."

"We're analysing how compatible the products are with people's needs."

"Reducing the need, quantity and quality of secondary packaging."

Prices and promotions

"We're preparing to gradually raise prices."

"Slightly reducing prices."

"Bigger e-commerce capacity, planning discounts."

"Thorough analysis of our and competitors' product prices."

What are marketing people saying?

(quotes from the survey)

The next 1-2 years are likely to bring significant economic challenges and a reduction in consumer purchasing power. How is your marketing department preparing for this? **(open question)**

MARKETING

Changes and improvements to communication channels

"We'll use free channels and social media more."
"We're consolidating digital advertising automation, e-mail automation, programmatic advertising, remarketing and similar tools."

Client satisfaction and loyalty

"Seeking a commercially justified strategy to keep clients."
"We're evaluating customer service culture to *please customers* (secret shopper)."
"We love our work and stay in close contact with our loyal customers."

Brand and value communication

"We develop an emotional bond through *storytelling* in communication."
"Placing even more focus on love for the brand."

Research and analysis

"Customer research – identifying needs."

New segments and target audiences

"We're switching the advertising focus to other customer groups."
"Defining precise target audiences and dividing them according to income levels."

New markets

"We're seeking opportunities to venture outside the Latvian market."
"We're focusing on markets where we can sell at higher prices."

OTHER

Not planned

"Right now, the demand is still extremely high in our sector, and we cannot fully satisfy it."
"Our product and services will still be bought at times of crisis."

Still in progress or keeping an eye on

"We're awaiting developments and are cautious in regard to spending."

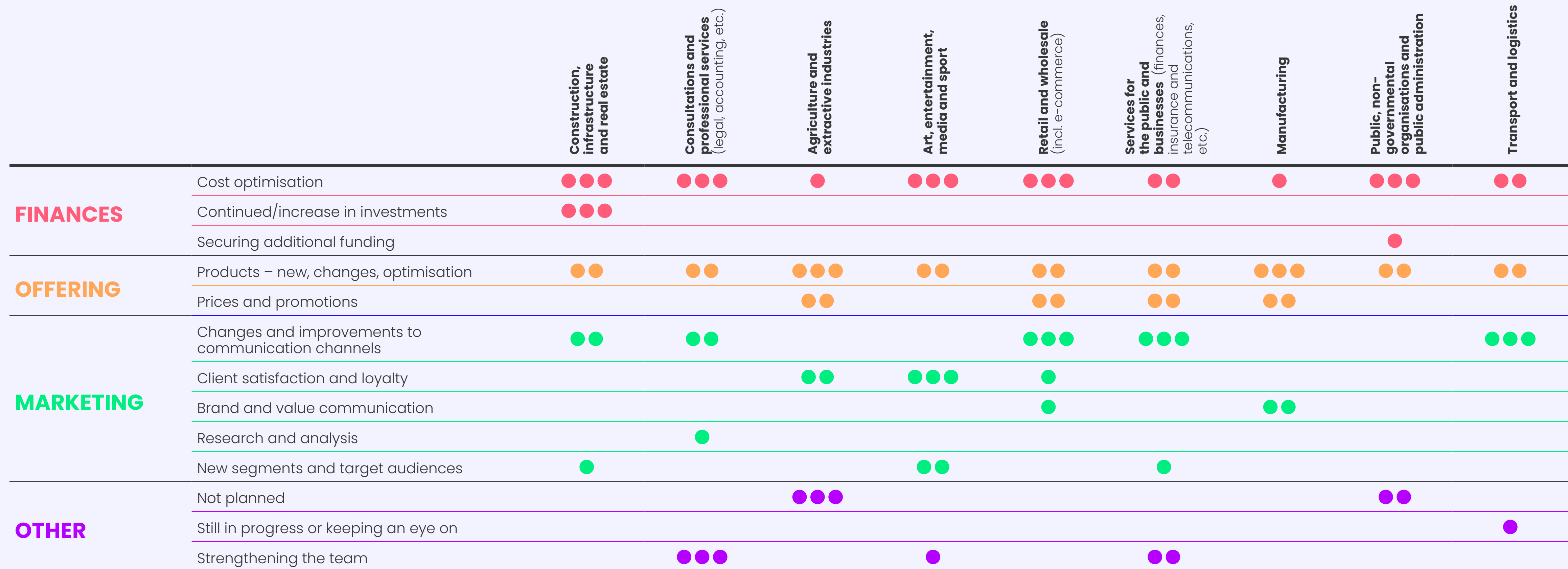
Strengthening the team

"We're increasing our workforce capacity to stabilise our position in the market."
"We'll continue to train *resilience* and optimism in the team and in communication."

By sector

The next 1-2 years are likely to bring significant economic challenges and a reduction in consumer purchasing power.

How is your marketing department preparing for this? (open question)



●●● most significant scenarios ●● very significant ● additional

Source: Survey of marketing managers, September 2022. n=196

Which scenario will be more effective?

It is worth looking into the insights from and studies conducted after the 2009 crisis.

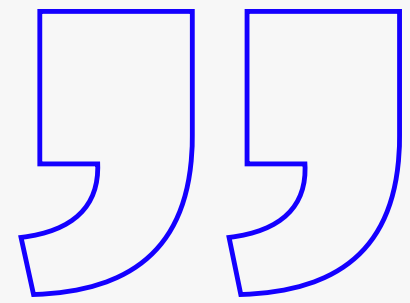
However, you should always keep in mind how these periods differ. Now it's soaring inflation and energy prices, but back then it was a real estate bubble.

“ After the crisis in 2009 **9% of companies** grew rapidly, achieving better financial results than before the crisis and outperforming the industry with an increase in sales and profits of at least 10%. ”

These were businesses that managed to maintain a fine balance between optimising costs and investing in future growth. These companies carefully cut costs, paying more attention to operating efficiency than their competitors, while at the same time carefully investing their savings in long-term marketing goals, brand communication, new product development, etc.

Source: Harvard Business Review. Ranjay Gulati, Nitin Nohria, and Franz Wohlgezogen – Roaring Out of Recession, 2010. Study based on a survey of 4,700 companies

Expert opinion



Diāna Orlovska

Elektrum
Marketing
Manager

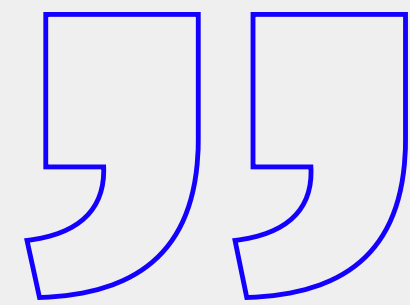


As we know, reducing marketing budgets is often among the first measures a company takes to prepare for a recession. However, in the face of a drop in consumer purchasing power and trust, investing in brand values and strengthening customer loyalty will help a company recover/strengthen its position faster than others in the long term, which is something we can all achieve. In addition, customers will expect additional efforts – efforts in informing customers, responding to questions as fast as possible, innovations in

the product range and investment in other areas that are not directly linked to the company's operations.

With an open mind, a cool temperament and a creative approach to challenges, the storm can turn into a wave that will help you surf to new heights. But surfing also requires training – building muscle (read – branding) mass and selecting the best tools for the job. Therefore **it is now important to reassess previous activities, identify stumbling blocks, prepare an action plan, roll up your sleeves and be ready to deliver.** Here's wishing us, marketing surfers, a strong year to come!

Expert opinion ^{1/2}



Gundega Laugale

SIA Maxima Latvija Marketing Department Director

I would like to extend my compliments to my colleagues who have become used to crisis management in recent years and take a rational approach to the potential opportunities which, like it or not, everyone receives in crisis situations. Everyone has opportunities, but those who are willing to invest usually win these battles. For some, the investment will be extra working hours, for others – money, and others still – simply time invested in future ideas.

At the heart of crisis management is **not panicking**. The ones who succeed are mostly the ones who have prepared for the crisis well. Whatever form it takes.

In the study, most respondents mentioned that cost optimisation will be their primary focus. Perfect! I too

believe that during a crisis **it's important to only do the things that are really necessary and deliver a return.**

Therefore, open, active discussions both among industry professionals and with cooperation partners, can be very beneficial. In practice, I frequently see situations when, where significantly reducing funding or exclusively thinking about where to "cut" budgets, the focus strays away from the result and the question of **what do we need to do to achieve the planned business outcome despite external factors?**

The second most important factor that comes up in terms of marketing colleagues' remit is creating new products, adjusting the range and optimising the offering. Right now is the ►

Expert opinion 2/2

perfect time! Regardless of the business model, of whether you expect a result in the short-term or long-term, **it is definitely worth reviewing your range of products or services and using any potentially free resources you have on the market**, to do what was not possible before, but do it now with a lot more thought and less haste.

Working in retail – it has to be said – you cannot afford to relax, not even for a day. Every day in business, be it in times of crisis or not, starts with the question – have we succeeded in bringing a customer to our shop? Every day, I see my colleagues asking similar questions, so they plan to focus on reviewing and improving communication channels. In a stable market situation, customer behaviour patterns remain unchanged

for years, but in a crisis, they can change in a day. In the recent past, such changes were prompted by the *lockdown*, but this time it could just as easily be the heating bill.

No matter what realm of business we operate in, **during a crisis we have to think a lot more about people.**

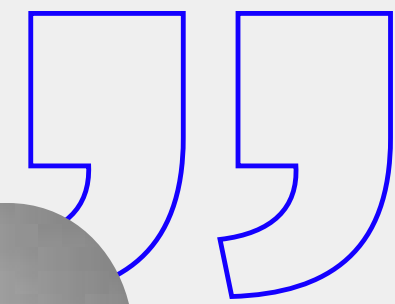
Empathy and a realistic outlook on what is going on the market will help you to understand customer needs. Suitable products, messages that appeal to the customer, an appropriate *tone of voice* and a clear understanding of

the fact that people have less money right now. Both you and your customers. If you are still in a position to do so, this is an opportunity to help and invest. Providing help and support directly to a person in any form – whether it's money, time, attention, conversation, listening, or addressing issues the public cares about – can have a positive boomerang effect on your brand.

Where can you find ideas? Change your perspective and look at your company through the customer's eyes! They hold a lot of ideas.

“ So let's not panic and get lost in *Excel*, but understand our customer and keep in mind that every crisis is an opportunity. ”

Expert opinion 1/7



Aditya Kishore
WARC Insight Director

How are global marketing teams preparing for recession?



WKND had a talk with Aditya Kishore,
WARC Insight Director

Expert opinion 2/7

Get more details
and sample of
WARC

[**The Marketer's
Toolkit 2023**](#)

Can you give a short introduction to what WARC *Marketer's Toolkit* is about?

WARC is an information and insights company. We provide insight, data, benchmarks, best practices, and a whole variety of information, as well as news and articles to marketers worldwide with a focus on improving marketing effectiveness. Every year, one of our biggest reports is what we call the Marketer's Toolkit. The centerpiece of the Toolkit is the Global Trends report. It focuses on key trends that we think are going to be the most significant for marketers in the next year. There are a number of "always-on" concerns around branding, around effectiveness, reach, efficiency, but with the Toolkit we try to look at things that are new or emerging, where

something is changing. And because of that change, marketers need to adapt, to benefit from the opportunities and to protect themselves from the threats.

We saw this year that top priority for marketer's is, by no surprise, recession and cost of living crisis.

As you say, the single biggest concern for marketers is the economic situation, people are very, very concerned. 95% of marketers that we surveyed at a worldwide level rated this as important and having impact on their business in 2023. But there were some regional differences. In Europe in particular, concerns are very high and optimism is very low. People are very worried about next year and the expectation is that things will be worse. ▶

Expert opinion 3/7

Many marketers already have some strategy in place. The most popular strategies in Latvia are cost optimisation, media mix changes and product improvements. What typical strategies WARC has seen in research?

36% of marketers are looking to cut marketing budgets, so they're going to be spending less. That's concerning, because we have so much data over the years to show that if you've cut marketing spend in a recession, you pay a price in the longer term. Brand advertising is really critical to maintain your share of market, your price and to demonstrate value. What's kind of interesting – compared to previous years, we have more people planning to increase their spending as well – both in performance and in brand advertising. Also brands are looking at cutting

“ We have so much data over the years to show that if you've cut marketing spend in a recession, you pay a price in the longer term. ”

pricing. It's not strategy that we advocate. Research has shown that when you cut prices, you get an immediate uplift in sales, but you're actually cannibalizing future sales. A lot of the sales uplift that is coming from people who would have bought your product anyway, at the old price. But instead of buying it in December, they're buying it in November, because the promotion is there. Also keep in mind, every time you cut prices, you have to sell more products to make the same amount of money. So at

an individual item, you're getting less revenue. So it's not the best strategy. The recommendation is to have is to look at things like econometrics, to get a really good sense of what your price elasticity is, where you start to lose customers, and also whether marketing can help. In a lot of cases, consistent brand advertising and marketing can help you maintain your price even in a difficult environment because brand equity becomes a justification for the price. ▶

Expert opinion 4/7

“ If you have good creative, you're more likely to stand out and make your advertising more effective, whatever your media budgets might be. ”

And what about product changes, do you see new product offerings? In our survey, we saw a part of marketers were working on some kind of economic offers.

Absolutely, yes, that's an excellent point. What we're seeing is kind of an expansion of portfolio or portfolio management. Rather than taking a product and cutting its price, you're looking to broaden your portfolio so that you have a range of products at different prices. That works very well for certain product categories, obviously, not everybody may not have that product flexibility. That is an effective strategy, in fact, in our report, we have an example of *Procter & Gamble*, which is doing something very similar.

Significant part of marketing managers told us they are working on improving marketing mix and communication channels.

We haven't seen huge shifts in marketing mix strategies. The only shift is in brand advertising versus performance. And we are seeing some increases in spending on both from our respondents, though 46% plan to increase performance spend versus only 31% who plan to increase brand spend. We are also seeing more a merging of brand and performance activity in some cases. Obviously, there will be degrees of adjustment, particularly around the cost of media. And generally speaking in recessionary times, there is a push towards earned & owned channels, because you want to get more free media, when your budgets are under pressure. ▶

Expert opinion 5/7

In report, you mention working with the right tone of voice and the right type of empathy in communication messages as must-have?

The issue that we've really noticed is around the tone of voice. So it's being transparent, it's being sensitive. It's understanding that people are in difficult situations and also being very honest, and upfront, if you have to

increase prices, or you have to shift things in terms of product categories. Empathy is very important.

We have also noticed is that humor is being less utilized, even though it can be a very powerful tool. We have seen that humor has performed very well in advertising over the years.

Good creative is very important, it's a sort of force multiplier. If you have good

creative, you're more likely to stand out and make your advertising more effective, whatever your media budgets might be. You get that little extra boost from good creative. So looking at things like humor, which can lift up and make your advertising more memorable, are always going to be helpful! ▶

“ We're dealing with an inflationary economy at a time of very low to negative growth, which is quite different from 2009. ”

Expert opinion 6/7

It's quite popular to compare this recession with 2009. Do you think marketers are learning from this experience, are they behaving differently than brands more than 10 years ago?

I think there's comparisons to be made, in some ways with every recession. But in a lot of ways, this is a little bit different. You're not seeing very high unemployment, job markets are actually quite tight, which has not happened in a recession before. That's not really sustainable, so probably we will see that happen next year. The other big difference here is that you're seeing inflation in the

middle of a recessionary economy – that's happening because of the war in Ukraine, shortages of energy, which is driving up prices around the world, So we're dealing with an inflationary economy at a time of very low to negative growth, which is quite different from 2009.

But I think in every market situation you can draw from the past, you can look at examples from the past. One thing that we've consistently learnt is, if you switch off your brand advertising, you will pay a price in the future. We also know that cutting prices without really thinking through the implications, is also not a good strategy.

Now we're looking at a different situation where you've got inflation and recession, and you're gonna have to find ways to, to manage that, it's a slightly more complex environment. How marketers respond? We'll have to see because it's too early really you look at responses. Generally, from our survey, we're seeing quite a lot of positive responses. We asked about sustainability and environmental efforts – 70% are not stepping back, they are planning to continue those initiatives. Many are planning to grow or maintain their marketing spend. The signals are encouraging in some ways. ▶

Expert opinion 7/7

“ Brands and businesses that have developed good data and analytical systems are in a better position to make reasonable decisions. ”

We see that some of marketers don't have strategy yet. What advice would you give those still observing and wondering about a reasonable strategy for the recession?

I don't think that's necessarily a bad thing. Market shifts are going to be a little bit different for various product categories, verticals and regions. It's important not to make the decisions in a rush. If you're not seeing that things are changing very rapidly, then you can take your time to make the right decision.

But I think the one piece of advice, that I was given, is to always be informed. The one theme that we are getting from the toolkit is that brands and companies that have good data and analysis systems in place, are much better positioned to make more intelligent

decisions. Businesses that are having these, what we call “knee jerk” reactions – something happens, and you just take an action – that's not working well! So if you want to wait and see how the market evolves, that's fine. But just make sure that you are keeping an eye on it, that you have systems in place that are giving you a very good insight into how the market is adapting. Don't wait for a crisis to occur before you start figuring out how to deal with it. For example, if you can predict that one of these three things is going to happen. So create scenarios and say – okay, what would we do if this happens? Have a plan and a process in place, so the moment the data starts to tell you – this is where we're going, you know how to respond.

2.

Increasingly managing strategic and creative jobs in-house (DIY)

Strong and competent marketing teams will increasingly handle strategic and creative tasks themselves. Media buying and planning, social media communications, research and data collection are the key functions that teams will continue to outsource.

Efficiency-oriented changes in marketing management

Compared with 2022, fewer marketing managers plan to engage an agency and use *freelance* services.

1/5 plan to reduce the use of agency services and 1/10 plan to lay off employees.

As before – a significant proportion (39%) plan to optimise and automate work, using technologies.

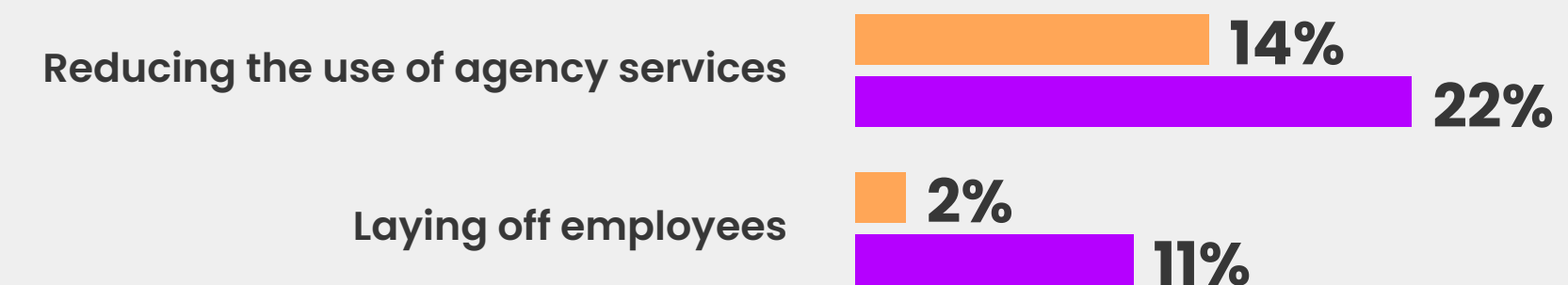
Remote work is here to stay – just like last year, 1/3 will continue to allow employees to work remotely.

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

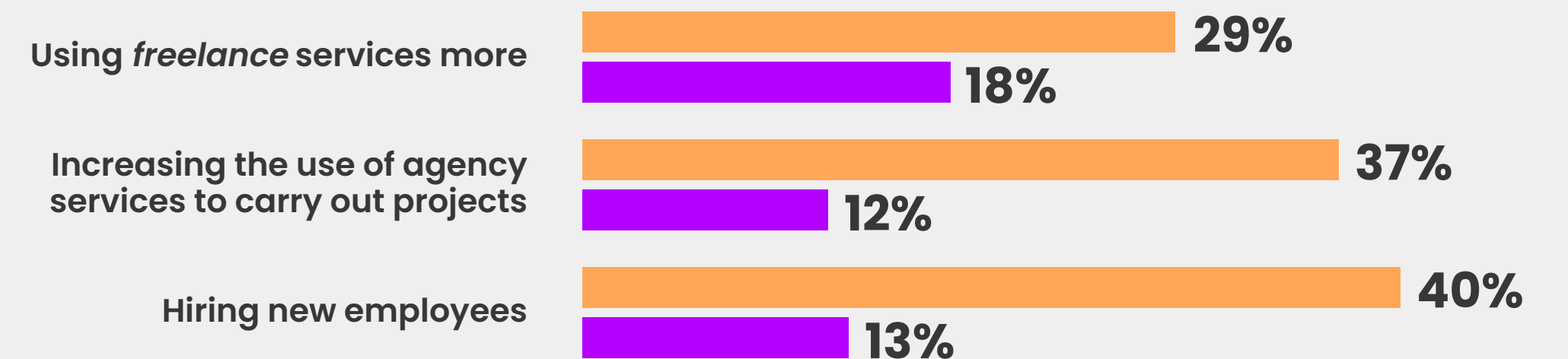
CONTINUALLY IMPORTANT



INCREASINGLY RELEVANT



LESS IMPORTANT



2021 2022

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

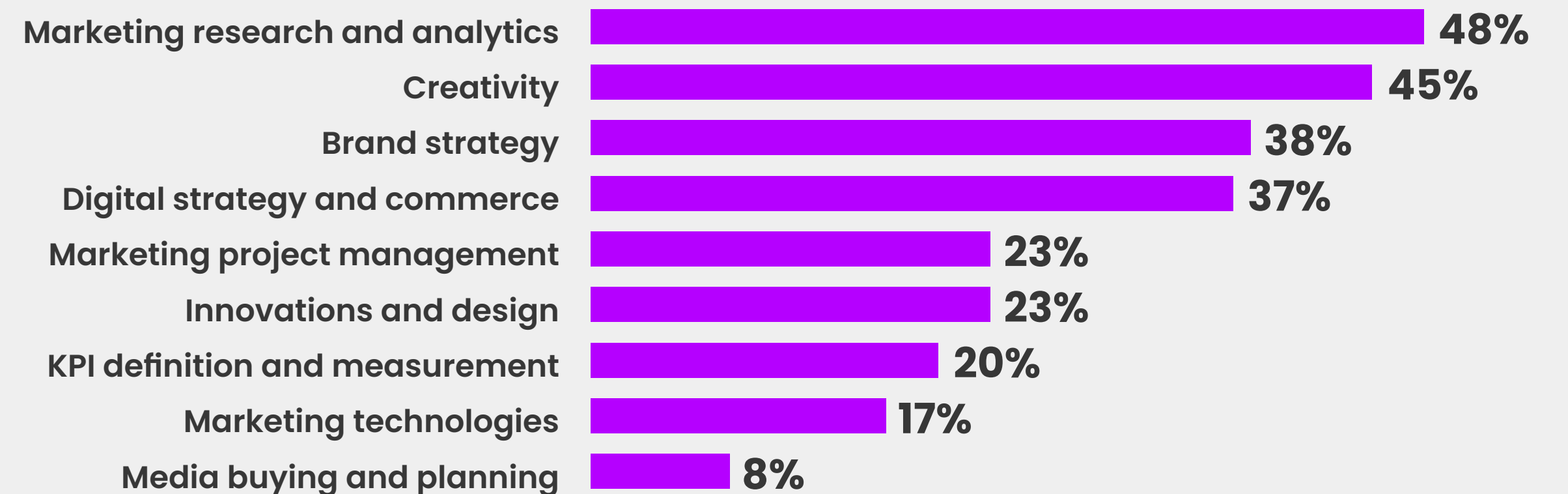
Analytical and rational competency balance

This year, marketing research and analytics emerged as the most important marketing competency. This skill also figures prominently in recession tactics – marketers prepare for a possible recession by carefully researching the market and competitors.

This year for the first time, we ranked creativity as a marketing competency, and it is highly relevant to marketing leaders, coming in at #2, pushing brand strategy down the list of priorities.

Digital strategy and commerce are consistently important skills.

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



	Rank 2022	Rank 2021
1	Marketing research and analytics	2
2	Creativity	NEW
3	Brand strategy	1
4	Digital strategy and commerce	4

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

In which areas is it particularly important to involve partners?

Media buying and planning, social media communications, research and data collection are the key functions that teams will continue to outsource.

Strategy is generally less outsourced with marketing strategy at 10% and brand/media/PR strategy at 20%.

In the case of which marketing activities do you delegate significant responsibility to agencies/partners?



Source: Survey of marketing managers, September 2022. n=196

Which skills should you have in-house and which should you outsource?

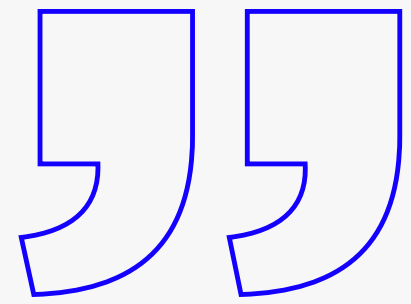
We can establish 3 skill groups, evaluating whether it is important for marketers to have them or whether they are mostly outsourced:

- 1) Marketing research and analytics and creativity are the most significant skills for the in-house team to possess, as well as to work on together with partners.
- 2) Brand strategy, digital commerce and marketing project management are mostly handled by *the* in-house team. Although they are rated as highly important, few plan to involve partners.
- 3) Innovations and design, marketing technologies and media buying and planning are mostly *outsourced*. They are rated lower and more likely to be outsourced.

	Importance of skills in achieving targets	Partner/agency engagement
Both in-house and outsourced	48%	Marketing research and analytics
	45%	Creativity
In-house	38%	Brand strategy
	37%	Digital strategy and commerce
	23%	Marketing project management
Outsourced		20% will engage for brand/media/PR strategy; 10% for marketing strategy and plan development
	23%	Innovations and design
	20%	KPI definition and measurement
	17%	Marketing technologies
	8%	Media buying and planning
		18% will engage for day-to-day campaign development and coordination
		24% will engage for product and packaging development
		25% will engage for the provision of marketing technologies, platforms and systems
		33% will engage for media buying and planning, 32% for social media communication

Source: Survey of marketing managers, September 2022. n=196

Expert opinion



Maija Leonarda

Bite Brand and Communication Manager



I think that to a great extent the decision for or against *in-house* depends on several factors:

1. How competent the *in-house* team is, because not every business has its own designers, copywriters and social media or e-commerce experts. Building such a team is quite challenging, and also a commitment from a cost perspective.
2. How extensive the planned marketing activities are. Because even if the team has the required skills, does it have the capacity?

At *Bite*, we entrust some of our activities to partners, but some we execute *in-house*. Essentially, *in-house* we create social media content, direct communication materials and various videos, etc.

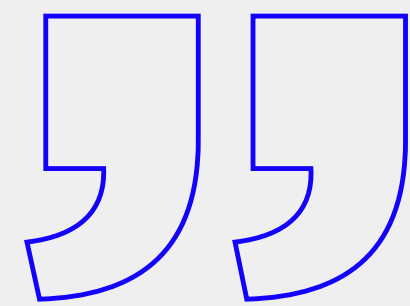
There are several reasons for this, but for me the most important are – speed, quality and full understanding of the expected outcome.

For example, if we communicate about ourselves as an employer, it seems more organic *to do it in-house*, because we know best who we are and what message we want to convey with our communication.

Sometimes, it is also easier to create commercial materials *in-house*, especially if we have a clear vision of the message to be conveyed. Working with partners is often more time-consuming, which is perfectly acceptable if you have abundant time and other resources, while if results are needed almost immediately, it is much more effective to do these *projects in-house*.

It is important for me to find a balance and understand what can be done with the existing team and what calls for involving partners, because, at the end of the day, the quality of the marketing activities is what matters, and it is essential to know what resource and what skills are needed.

Expert opinion ^{1/2}



Zita Lazdāne

City of Liepaja Municipal Administration
Public Relations and Marketing Department
Manager

There are no negatives without positives. As a municipality, we operate with a limited marketing budget, and bureaucracy restricts us from working freely with partners who we would like to cooperate with more, so we have learned to do a lot of things on our own, especially process management and day-to-day marketing projects. We always prioritise striving for excellence. **Budget limits have also taught me to be a lot more creative and to find ways to collaborate more with the public and local creatives, without getting stuck in smug local**

patriotism, but also involving national talents on a case-by-case basis.

We only outsource key components – strategic consulting and design concepts for large projects.

Initially, this was due to circumstance rather than being a conscious choice. But over time, we realised that we ourselves are best-versed in the special spirit of Liepāja and, by strengthening the team, we can cope perfectly well with day-to-day marketing processes. ▶

Expert opinion 2/2

I must say that this is only possible when you have a stable, smart, professional, responsible and result-oriented team.

In addition, doing jobs *in-house* has also nurtured local creative talents from Liepāja – videographers, photographers, designers, scenographers – who can now cover our daily needs locally and at a professional level.

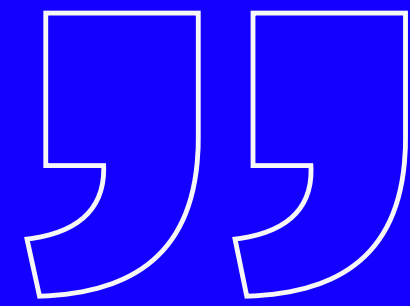
Deciding to do it yourself is also a big risk – not everybody can. Just as with cooking, although you may think a breakfast omelette is the most delicious food in the world, others eat it just out of politeness and pass it to their pet or quietly throw it away without the cook seeing it.

“ Be critical towards your abilities and don't judge your own successes, but let your customers judge them for you! ”

In 2023, we will definitely strengthen the existing team, providing opportunities for skills development, and look after the wellbeing of each employee – because our results are only possible thanks to the people in the team. Invest in your best employees and appreciate what people are willing to do for the benefit of your company or organisation!

Three good, professional employees *in-house* are sometimes much more valuable than any long-term agreement with an agency. And the second most important thing on the agenda – all types of research and data analysis so that our work is as targeted, measured, analysed and evaluated as precisely as possible.

Expert opinion



Kristīne Melne

Delfi Brand Studio Editor in Chief

Delfi Brand Studio produces quality, enticing stories in line with today's media standards for Latvia's biggest brands with the potential to reach the widest internet audience in Latvia.

At a time when content marketing and native advertising are playing an increasingly big role, **good, meaningful content is a key asset. To deliver, you need to know your audience, and our years of experience in media enable us to understand what people want.**

Our understanding of our readers, experience of working with copy and visual storytelling projects, and a team that delivers everything from simple advertorials through to eye-catching multimedia projects with original design and technical solutions in line with today's media standards, ensures more and more partners are trusting us to tell their story.

3.

Insufficient knowledge and resources impair our ability to take full advantage of MarTech

In the interests of efficiency, it is often marketing teams that kick-start a company's wider adoption of technology. For the best possible results, responsibility for adopting and implementing them should be shared, involving other departments and management too.

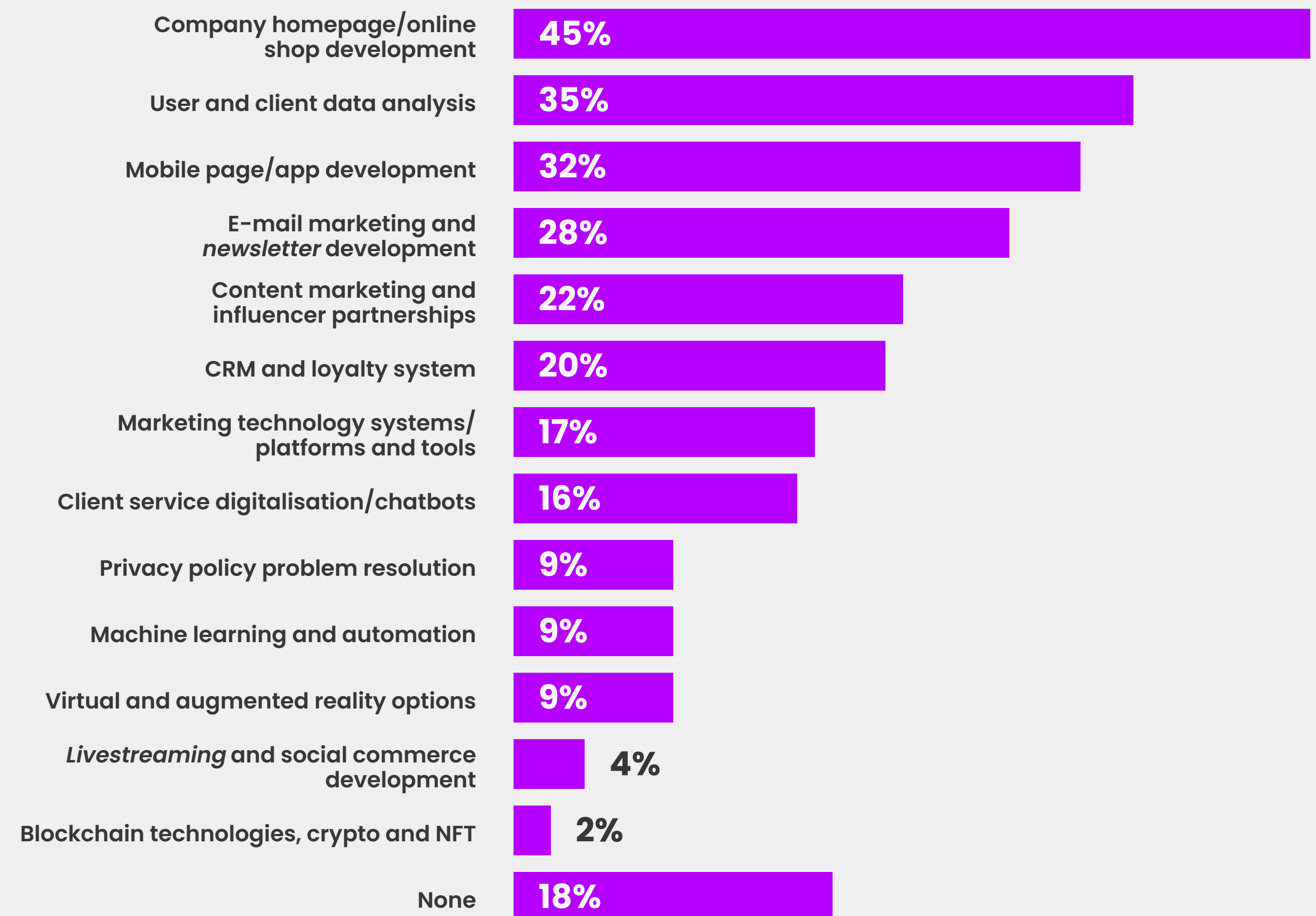
Planned digitalisation and IT projects

The most important IT projects in the coming year are related to developing the companies' own channels – almost half of the marketing managers will continue to invest in developing the website and online shop, and a third in developing their mobile site and e-mail marketing.

Analysis of user and customer data in which we plan to invest more than 1/3 is of considerable importance.

Although professionals have discussed marketing technology systems, platforms and tools in recent years, only 17% plan to make significant investments in this area.

What kind of digitalisation and IT projects is your company planning to invest in majorly in 2023?



Source: Survey of marketing managers, September 2022. n=196

By sector

What kind of digitalisation and IT projects is your company planning to invest in majorly in 2023?

	Overall	Construction, infrastructure and real estate	Consultations and professional services (legal, accounting, etc.)	Agriculture and extractive industries	Art, entertainment, media and sport	Retail and wholesale (incl. e-commerce)	Services for the public and businesses (finances, insurance and telecommunications, etc.)	Manufacturing	Public, non-governmental organisations and public administration	Transport and logistics
Company homepage/online shop development	45%	30%	13%	63%	44%	58%	29%	59%	50%	50%
User and client data analysis	35%	5%	20%	25%	33%	51%	26%	34%	57%	38%
Mobile page/app development	32%	20%	13%	13%	22%	40%	35%	34%	36%	63%
E-mail marketing and newsletter development	28%	20%	0%	13%	33%	45%	26%	14%	36%	38%
Content marketing and influencer partnerships	22%	15%	13%	38%	11%	30%	19%	24%	21%	13%
CRM and loyalty system	20%	5%	7%	0%	22%	34%	23%	10%	14%	38%
Marketing technology systems/platforms and tools	17%	15%	20%	0%	22%	25%	13%	14%	14%	13%
Client service digitalisation/chatbots	16%	25%	0%	0%	22%	15%	23%	10%	21%	13%
Privacy policy problem resolution	9%	10%	13%	13%	6%	6%	13%	3%	21%	13%
Machine learning and automation	9%	0%	7%	0%	0%	6%	29%	14%	7%	0%
Virtual and augmented reality options	9%	0%	20%	13%	6%	6%	10%	14%	21%	0%
Livestreaming and social commerce development	4%	0%	7%	0%	17%	4%	3%	0%	7%	0%
Blockchain technologies, crypto and NFT	2%	5%	0%	0%	0%	0%	3%	3%	0%	0%
None	18%	30%	47%	25%	22%	8%	19%	10%	21%	13%

Source: Survey of marketing managers, September 2022. n=196

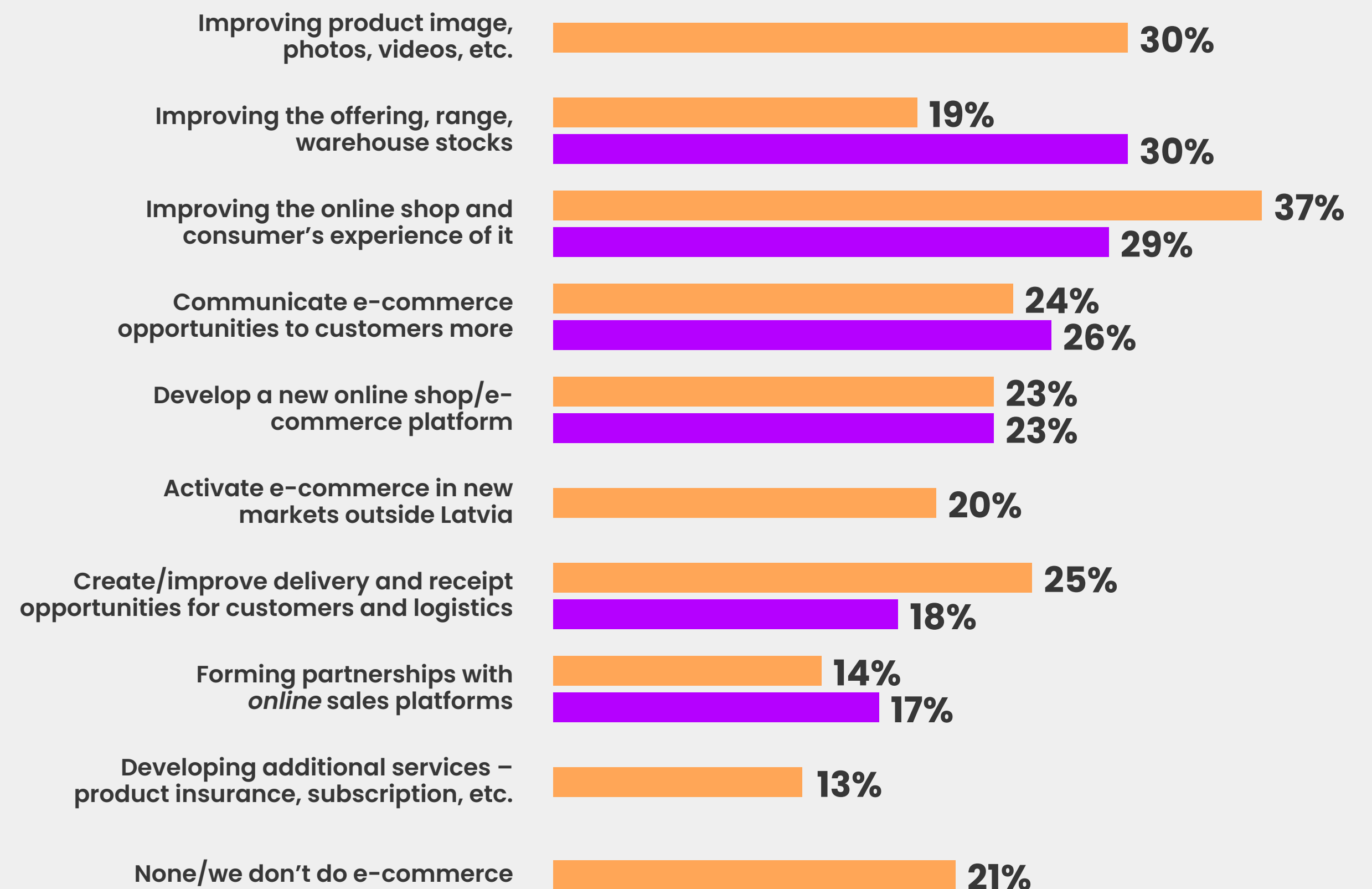
E-commerce is maturing, new challenges are coming to the fore

In general, we see that fewer marketing managers are working on upgrading online shops or delivery options this year. Perhaps, this has already been done in previous years.

The challenge is increasingly to improve the offering and range. This will become increasingly relevant as consumers seek cheaper and higher value alternatives.

The need to form partnerships with sales platforms is becoming increasingly relevant (*marketplace*).

In what kind of e-commerce initiatives is your company planning significant activities in 2023?



2021 2022

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

Marketing technology use

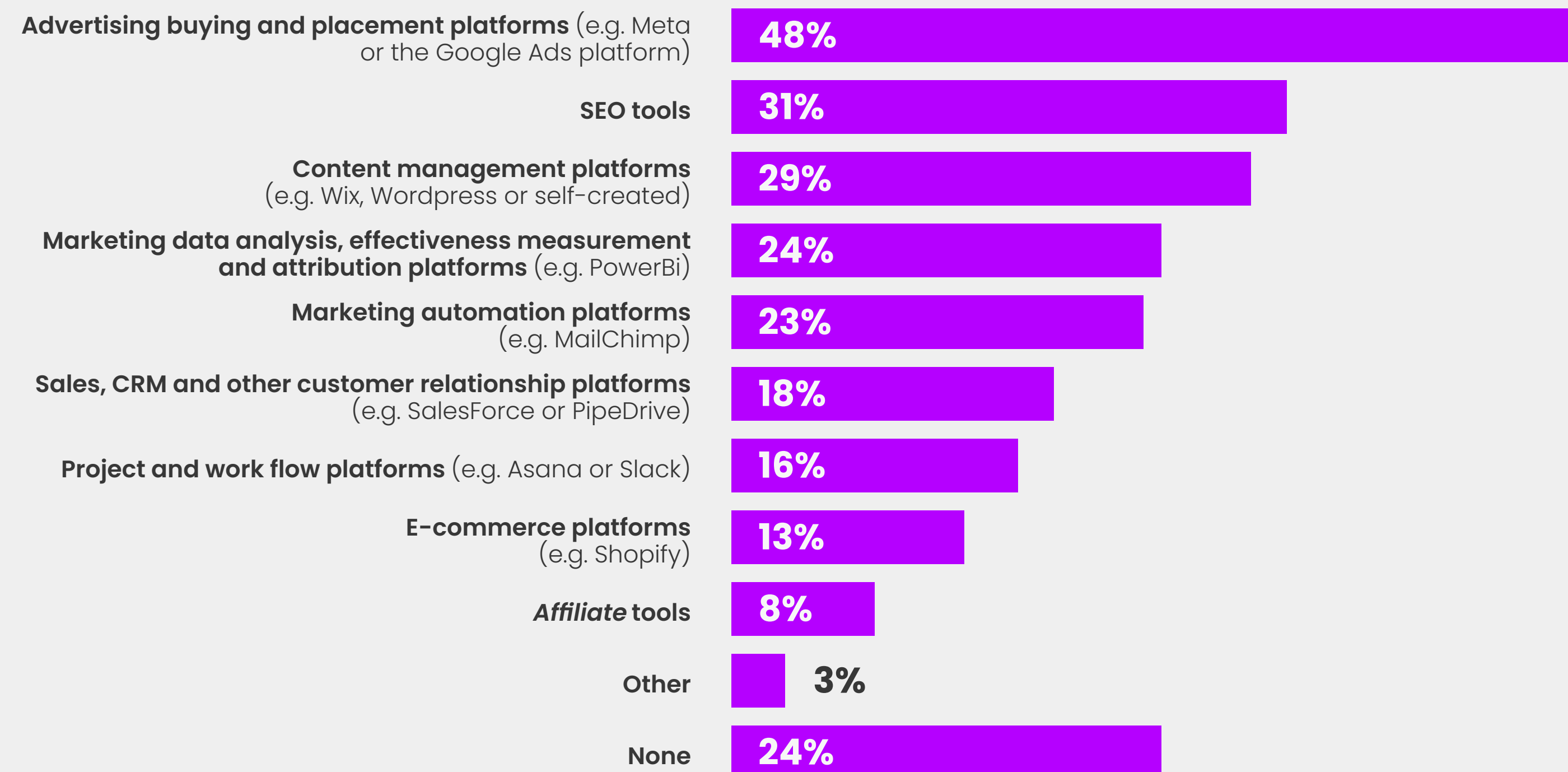
Only 24% don't use any marketing technologies

The most popular type of marketing technology is advertising buying platforms, which are used by approximately by ½. This is followed by SEO tools and content management platforms.

Only ¼ use marketing automation platforms although automation is an important priority for marketing managers.

What types of marketing technologies* does your company use on a regular basis?

*Marketing technologies here mean special platforms / software that helps to plan, execute, automate and evaluate marketing activities



Source: Survey of marketing managers, September 2022. n=196

By market

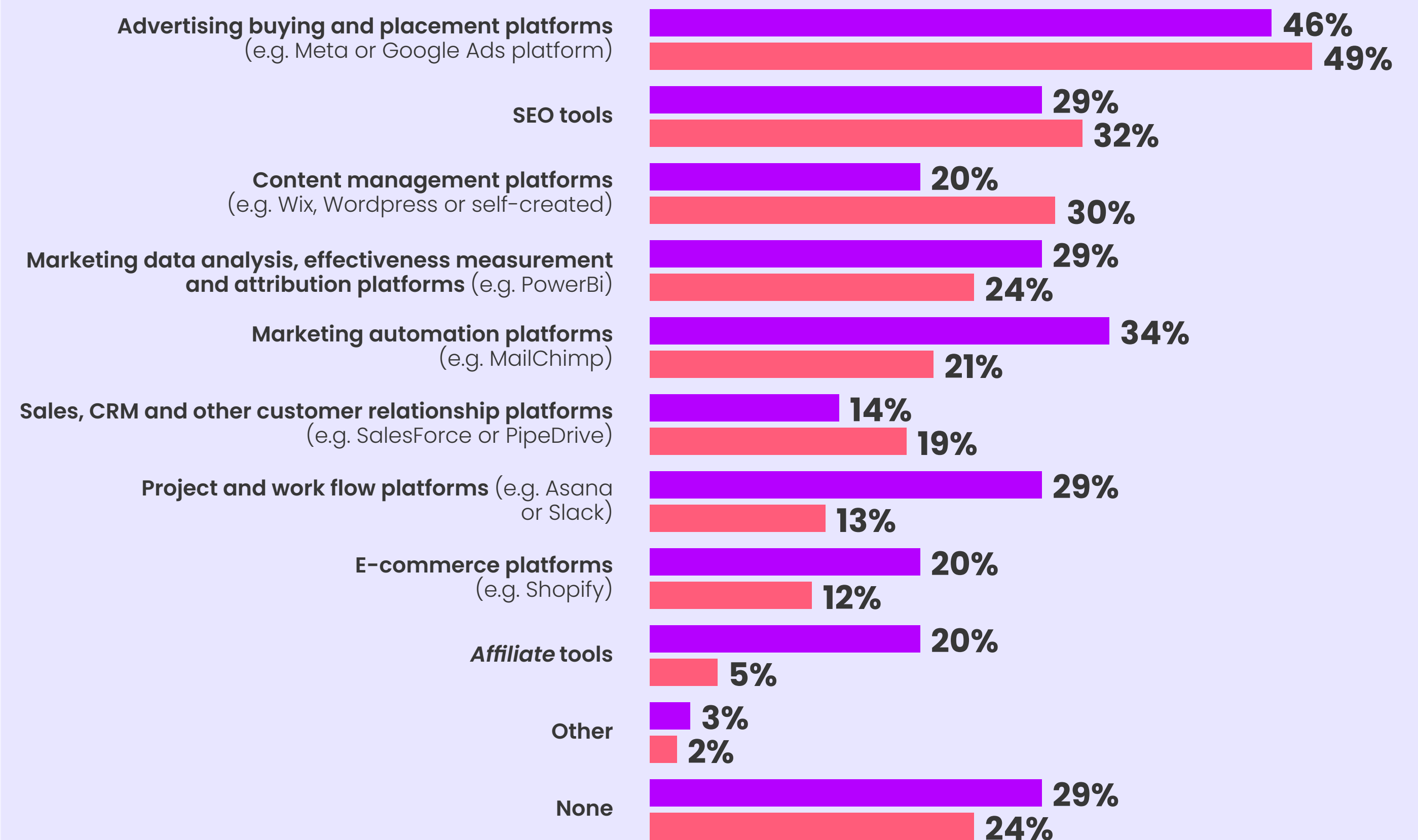
There is a significant difference in marketing technologies which are used by local exporting companies.

For exporting companies marketing automation, *affiliate* tools and project management platforms are more important.

However, the proportion of companies that don't use any of the technologies is similar among local and exporting companies.

What types of marketing technologies* does your company use on a regular basis?

*Marketing technologies here mean special platforms / software that helps to plan, execute, automate and evaluate marketing activities



■ Export markets ■ Local markets

Source: Survey of marketing managers, September 2022. n=196

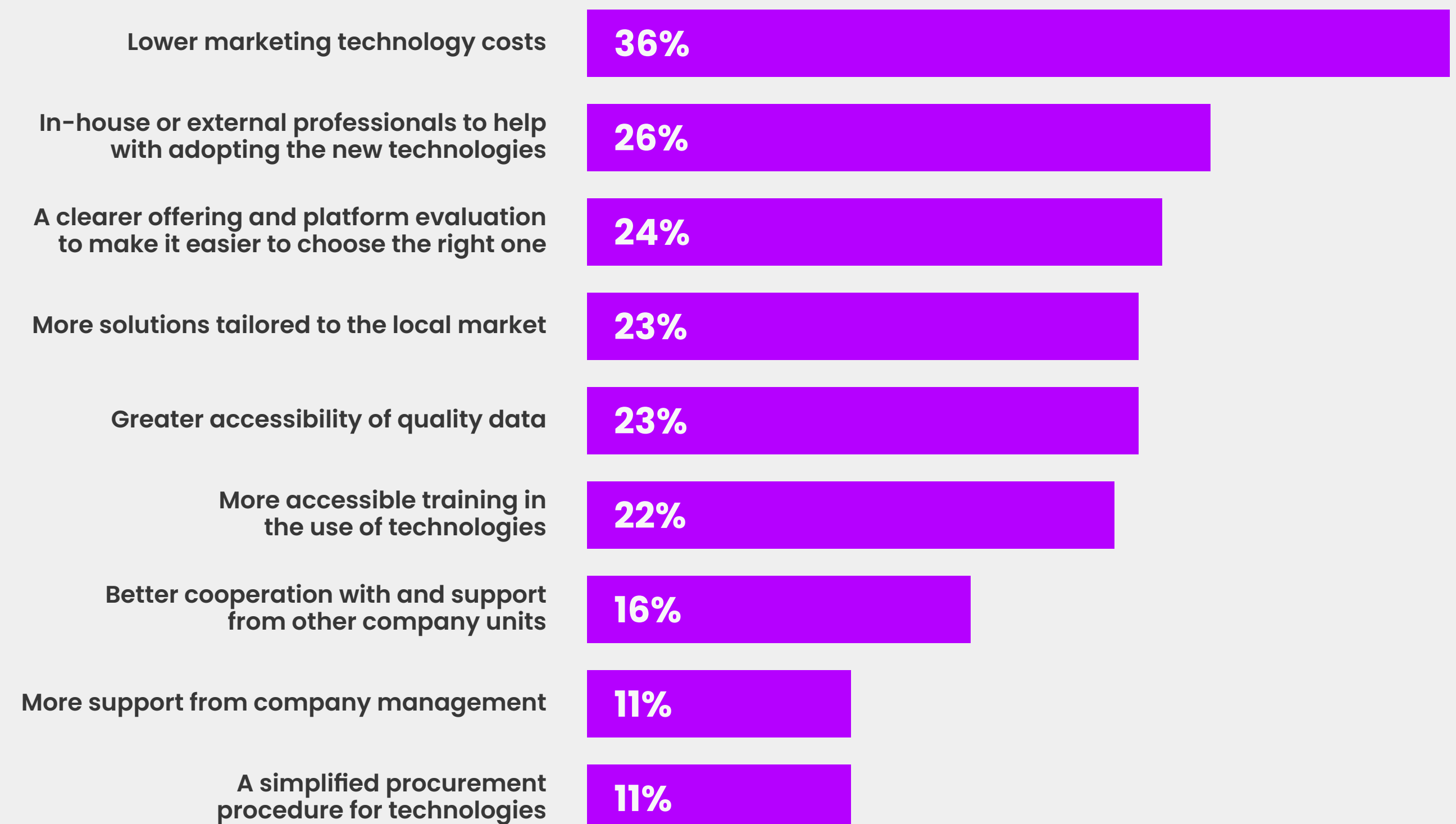
Barriers to the adoption of marketing technologies

36% believe that cost is a major obstacle to the greater use of marketing technology. Caution towards investing in new projects is understandable, especially in uncertain economic conditions.

Therefore, the other significant barriers should be highlighted – professionals to help with adopting the new technologies, and a clearer offering/evaluation of available platforms.

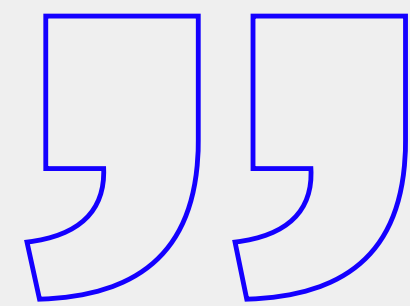
Despite all these challenges, the first step would be to initiate a discussion within the company about the place and potential of marketing technologies within the overall strategy.

Which of the following conditions could promote the more widespread use of marketing technologies in your company?



Source: Survey of marketing managers, September 2022. n=196

Expert opinion ^{1/2}



Liene Meklere-Kutsare

If Insurance

Head of the Baltic Marketing and Communication
Department

Although *at If Insurance* we use virtually all the marketing technologies mentioned in the study, I also understand very well the relatively large proportion of companies that are not yet doing this.

Introducing new solutions is neither a quick nor a cheap process, and the results are often not visible in the first month.

The first challenge is to get *the green light within the company*, because implementing any solutions requires coordination with internal systems and databases, evaluating security risks, ensuring compliance with GDPR requirements, most often also major changes in processes or, for example, sales algorithms. IT, lawyers, data analysts, sales people – everyone needs to step into the shoes of the marketing department and the customer to understand the added value the new solution will bring to the business. ▶

Expert opinion 2/2

The good news is that virtually all technologies offer the opportunity to specifically measure results, thus predicting business benefits

and use this as the main argument why we really need this technology.

The second challenge is finding reliable outsourced service providers,

because this is not going to be a short-term collaboration, where we change partners every year. This will be a long-term *marriage* project – with various surprises, especially during the implementation phase, and with great potential to introduce new improvements for better results

in the long term. However, this requires interest and trust on both sides. Of course, marketing technologies can also be built in-house. Also at *If Insurance* we have created several solutions in-house – both because of the required delivery time and in-house skills.

However, experience shows that unless you work in a really big company with very specific requirements and readily available IT resources, existing market solutions can be implemented faster and cheaper, including by learning from others' experiences and mistakes.

And the third challenge I definitely want to mention is the time factor. Results

from marketing and e-commerce are typically expected tomorrow or the day after tomorrow at the latest.

Researching, introducing, learning and optimising new technologies to attain their best performance all takes time.

Nevertheless, I suggest that marketing colleagues should arm themselves with patience, choose a specific and measurable business goal, find allies in other departments and reliable partners and just start doing! Because we don't really have an alternative –

no other method or solution produces the results that one or another marketing technology delivers.

Expert opinion



Zane Lapiņa

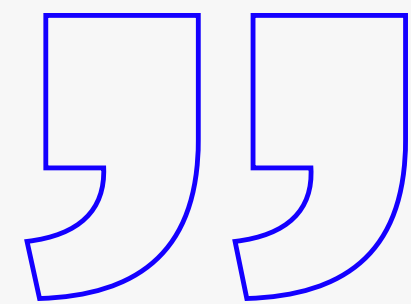
Wolt Latvia
Marketing
Manager

The last year has forced more than one business to review existing cost management and the communication channels it uses. Changing consumer habits and rapid technological development require adapting, mastering new knowledge and close cooperation at all levels of the company. At *Wolt* we work exclusively online, which allows naturally assigning responsibilities and KPIs, while cooperating and carefully evaluating the usefulness of each channel. We are sure that e-commerce will

continue to move towards the lead role among sales channels, so marketing digitalisation is a way to reach and regularly communicate with the biggest possible audience, also ensuring brand awareness. Of course, changes to promotion and special offer plans may make you adjust your communication and focus on financial benefits, but you should keep in mind that the role of the brand is not only to cover the foundation of Maslow's pyramid, but also to provide emotional fulfilment.

“ By understanding the brand’s goals and how they can be influenced by marketing in cooperation with other departments of the company in the respective channel, we can also save resources and justify the need for new technologies to aid the development of the company. ”

Expert opinion



Andis Kulinskis
MBD Latvia
Partner



Businesses that incorporate marketing technology into their overall corporate strategy and goal setting will attain a significant advantage over their competitors.

MarTech opens up a series of unprecedented opportunities to use technology to streamline not only digital communication, but also the marketing strategy as a whole. With technological solutions one can define clear and traceable company goals, gaining a deeper understanding of: What do we want to optimise or adapt? What are we going to measure? What are we going to improve? What data do we have about our existing and potential clients? How can we use them in decision-making? And other fundamental marketing strategy questions.

The marketing industry is facing a quality human resource crisis where technology is optimising processes and freeing up resources at the same time. Thus, industry professionals simply have a lot more time to solve fundamental business challenges, which technological solutions cannot yet solve at present.

The introduction of technology in marketing is no longer a trend or a new word to be applied to prepare a more colourful presentation, but a matter of internal process hygiene.

In-house companies need to actively discuss the *MarTech* solutions they need. If the company's team lacks expertise in implementing technologies, then this must be entrusted to industry professionals.



4.

Marketing is returning to the goals it can directly influence

The Covid-19 crisis stimulated the rapid growth of e-commerce, and marketing also assumed responsibility for sales goals, which, *in theory*, it could not directly influence. This year, we are returning to classic marketing KPIs: brand awareness, interests and consideration.

How will we assess marketing effectiveness?

This year, all the focus is on brand awareness and consideration. This emerges as the most important criterion for evaluating marketing effectiveness.

Sales figures have become secondary, which could be attributable to:

- Currently, sales figures are affected by the public's purchasing power and other side factors, which are more difficult to overcome with marketing activities.
- In 2020–2021, marketing executives joined company teams working on e-commerce implementation to compensate for the lack of in-person shopping during the pandemic. Sales briefly become the leading performance metric, and branding was secondary.

You could say that we have returned to classic KPIs in marketing.

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

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

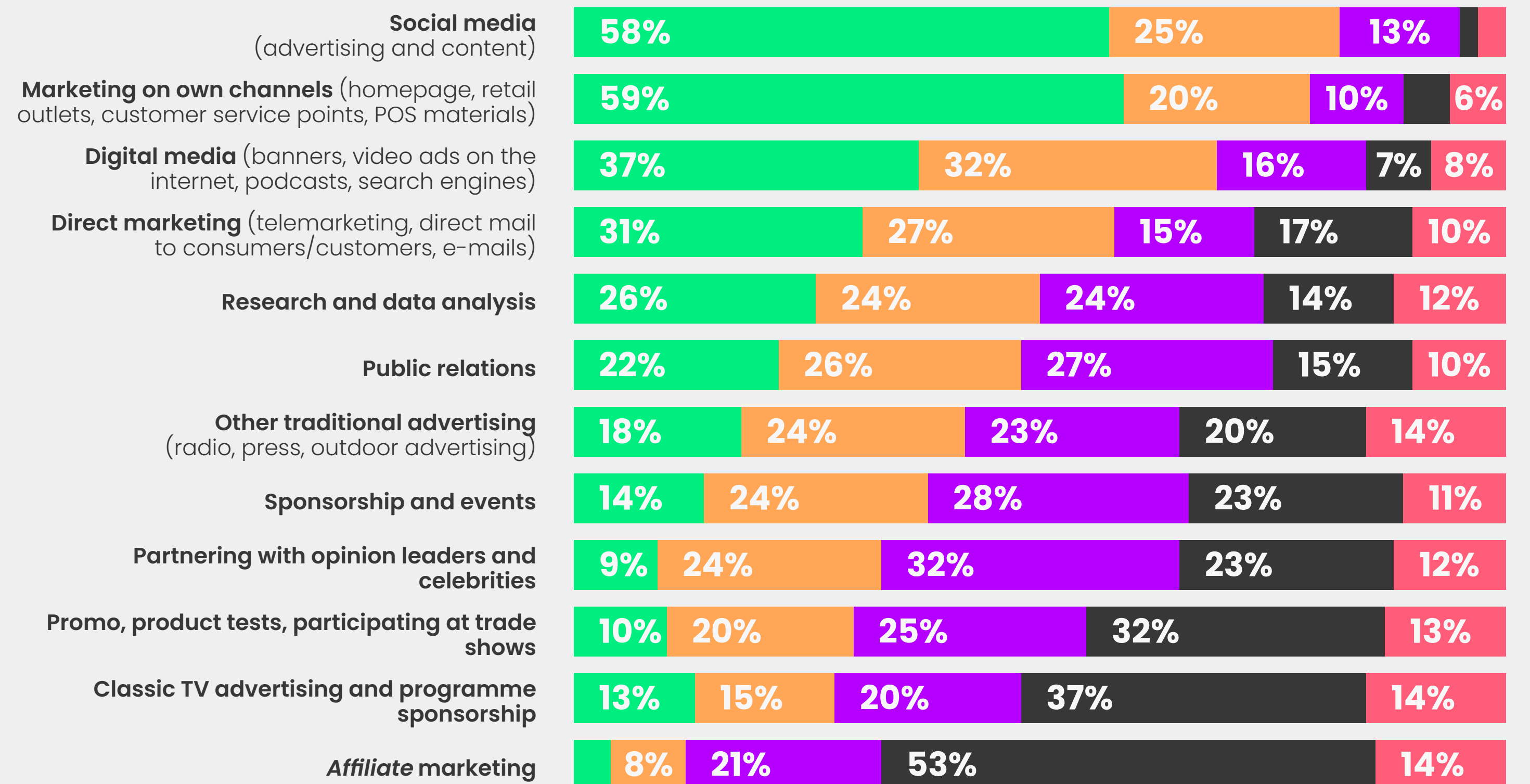
Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

Importance of the channels used and priorities in marketing communication

Social media and in-channel marketing receive the most budget. Next come digital media and direct marketing.

The lowest priority channels are *affiliate* marketing, classic TV advertising and sponsoring.

Arrange these marketing activities by priority/allocated resources in your company!



■ 1st-3rd priority
 ■ 4th-6th priority
 ■ 7th-9th priority
■ 10th-12th priority
 ■ no answer

Source: Survey of marketing managers, September 2022. n=196

Channel significance and priorities: 2022 vs. 2021

This year, marketing managers are allocating more resources to social media and marketing on their own channels.

Digital media have become slightly less important, dropping to number 1 to number 3. The previous years were a time of experimenting, when many tried e-commerce, and the role of digital advertising grew in order to boost the use of these new shopping platforms.

Overall, this looks like reviewing costs, switching to channels that seemingly require less investment. However, social media and marketing via own channels are not free if you need to reach a wide audience in a quality manner.

Arrange these marketing activities by priority/ allocated resources in your company!

	Rank 2021	Rank 2022	Changes in 2021/2022
Social media (advertising and content)	2	1	+
Marketing on own channels (homepage, retail outlets, customer service points, POS materials)	3	2	+
Digital media (banners, video ads on the internet, podcasts, search engines)	1	3	-
Direct marketing (telemarketing, direct mail to consumers/customers, e-mails)	4	4	=
Research and data analysis	6	5	+
Public relations	5	6	-
Other traditional advertising (radio, press, outdoor advertising)	7	7	=
Sponsorship and events	8	8	=
Partnering with opinion leaders and celebrities	-	9	
Promo, product tests, participating at trade shows	9	10	=
Classic TV advertising and programme sponsorship	10	11	=
Affiliate marketing	11	12	=

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

Are banners becoming less effective?

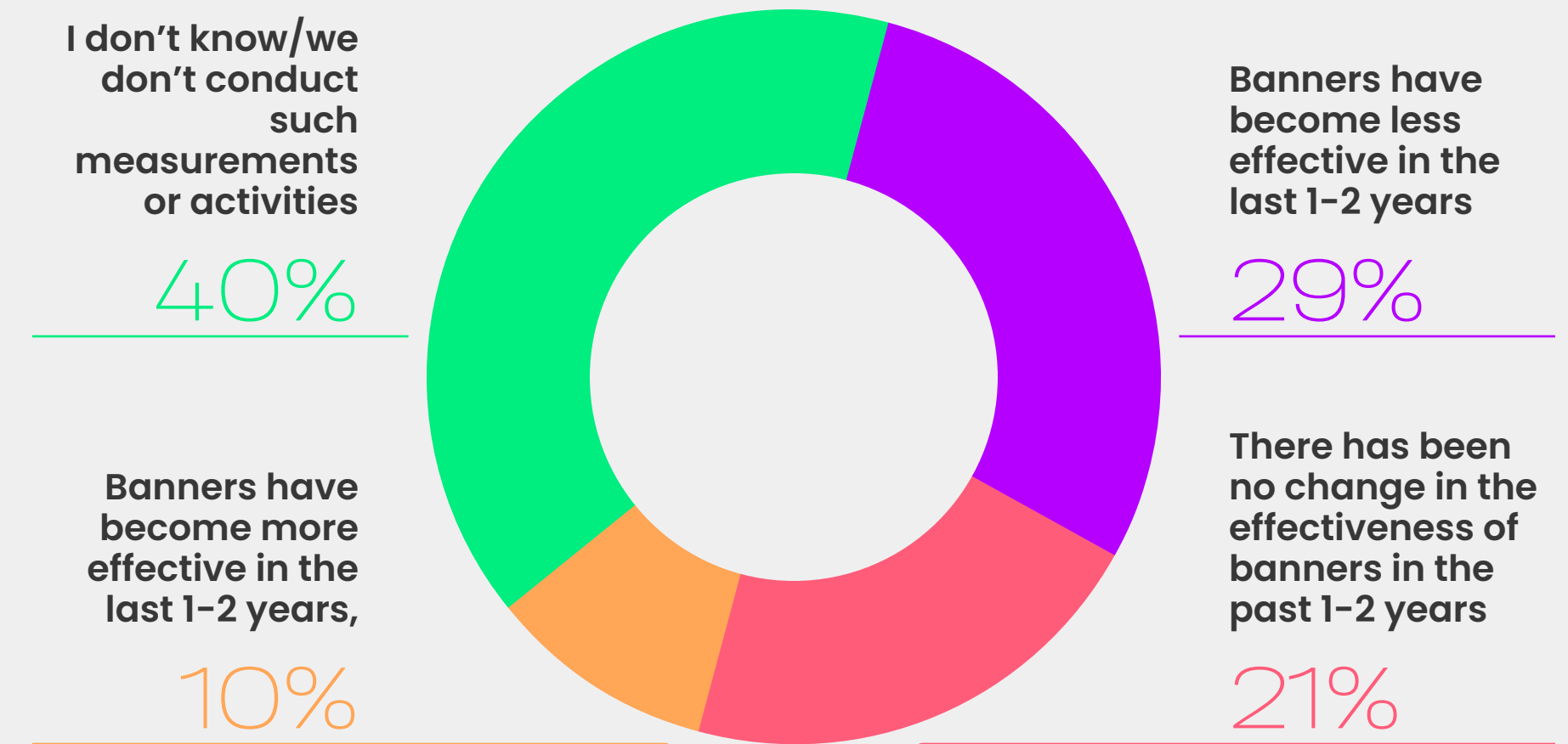
We specifically asked marketing managers about the effectiveness of internet banners, because many have implemented banner advertising more actively in recent years to attract buyers to their new e-commerce platforms.

Almost 1/3 had noticed a decrease in the effectiveness of banners in the last 1-2 years.

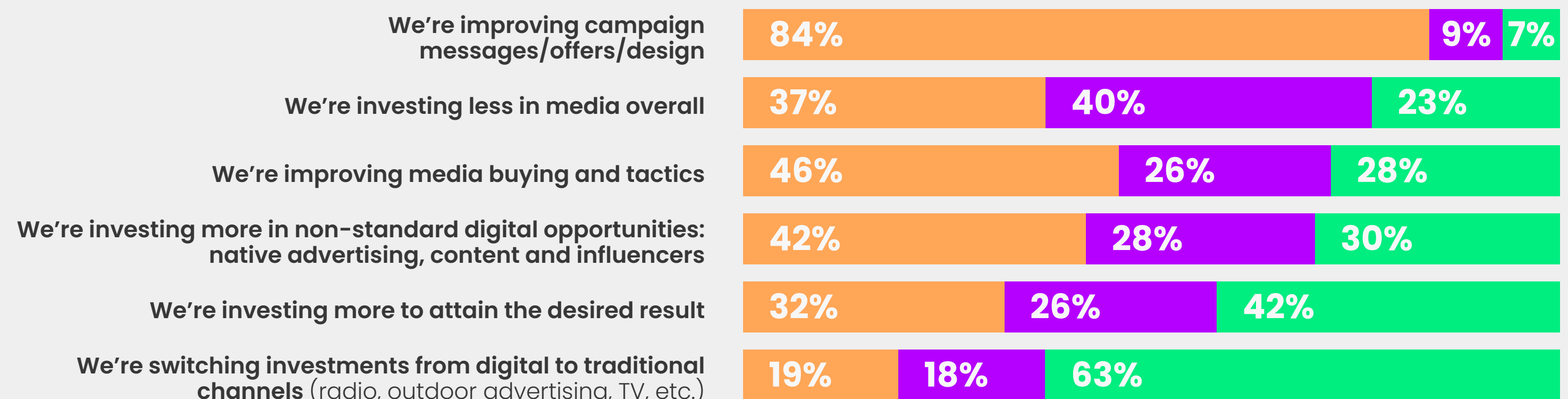
Most (84%) attempt to improve campaign messages and offers, while a smaller number choose to invest less or improve media buying.

Have you noticed any changes in the effectiveness of banners in attracting customers in the last 1-2 years?

Source: Survey of marketing managers, September 2022. n=196



What is your marketing department doing in response to this reduction in effectiveness?



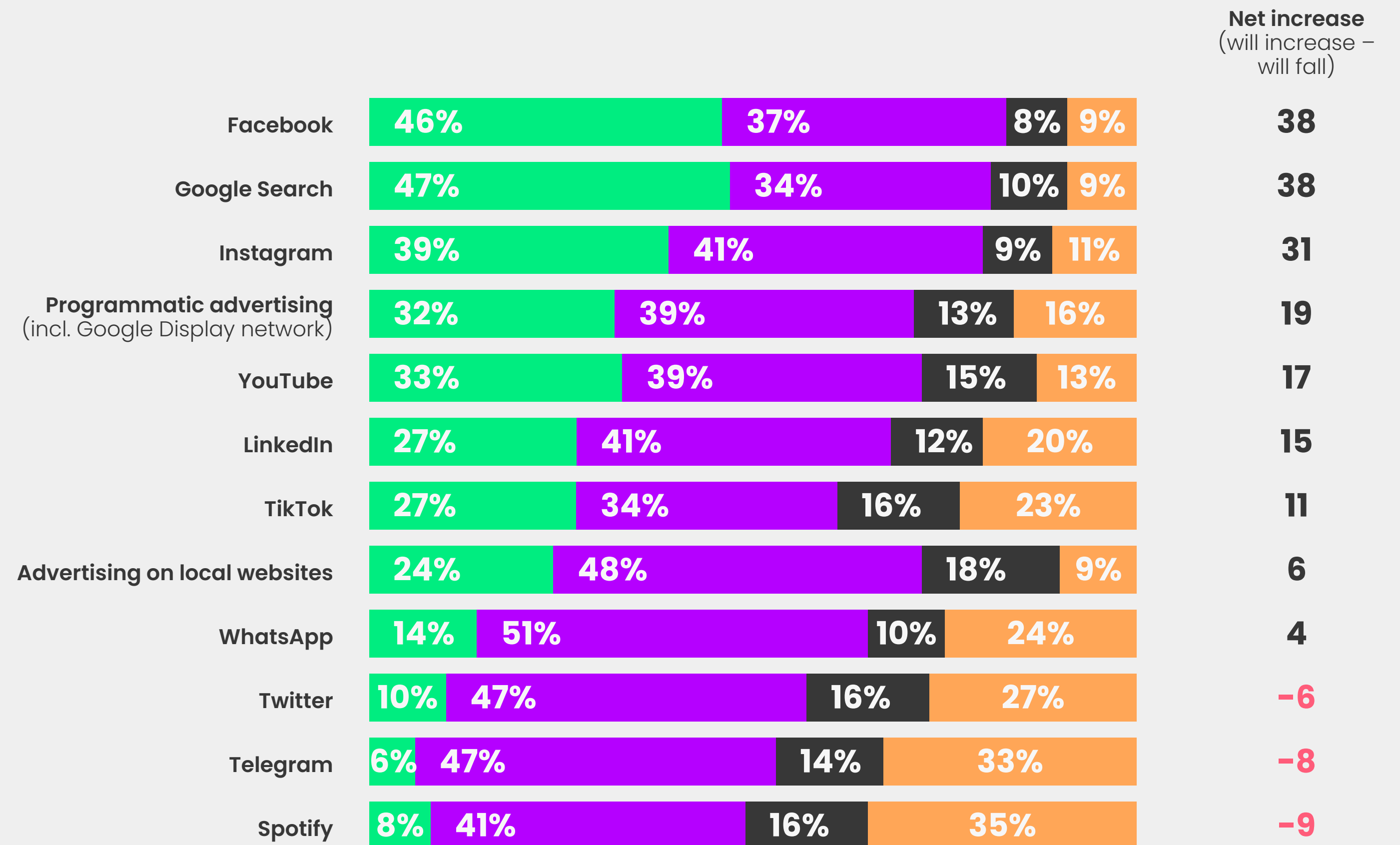
■ Accurate
 ■ Neither accurate nor inaccurate
 ■ Inaccurate

The importance of digital channels

Facebook, Google Search and Instagram are channels whose importance for marketing will increase in Latvia in 2023.

Twitter, Telegram, Spotify – a decline in importance is mentioned more than an increase.

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



■ Will increase ■ Will remain unchanged
■ Will fall ■ Hard to say

Source: Survey of marketing managers, September 2022. n=196

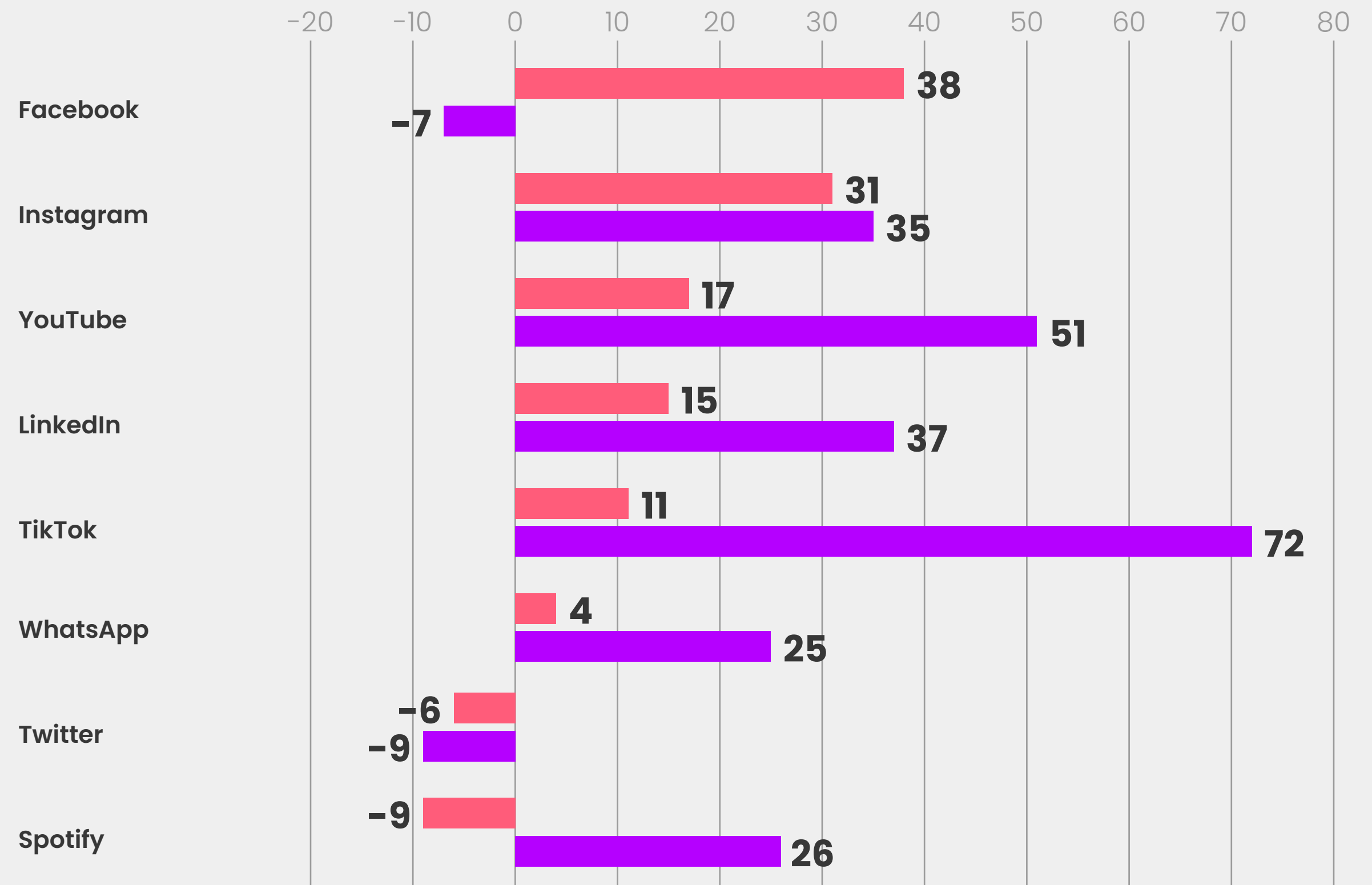
Digital channels: Latvia vs. the world

In Latvia, we plan to pay more attention to Facebook. In contrast – on the global scale, we can already see a negative trend, that is, a growing number of marketing managers are planning to reduce investments, not increase them.

Just like last year – YouTube and TikTok are rated much lower than they are around the world.

It is worth highlighting Spotify that has the least interest in Latvia. This is in contrast with the global trend that sees more brands showing an interest in audio content and podcasts.

Net planned channels for channels = increase % – reduction %



Source:

1) Latvia: Survey of marketing managers, September 2022. n=196
How does your company predict that the importance of these digital channels will change for marketing in 2023?

2) World: WARC The Marketer's Toolkit 2023.
How do you expect investment in the following digital platforms to change in 2023?

■ Latvia ■ World

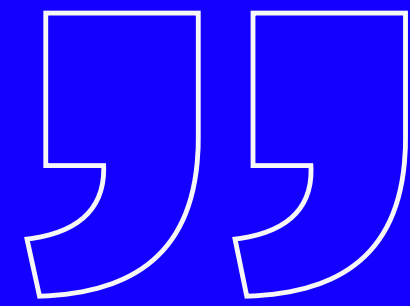
By sector

Arrange these marketing activities by priority/allocated resources in your company!

	Overall	Construction, infrastructure and real estate	Consultations and professional services (legal, accounting, etc.)	Agriculture and extractive industries	Art, entertainment, media and sport	Retail and wholesale (incl. e-commerce)	Services for the public and businesses (finances, insurance and telecommunications, etc.)	Manufacturing	Public, non-governmental organisations and public administration	Transport and logistics
Social media (advertising and content)	1	2	1	2	1	2	1	1	1	1
Marketing on own channels (homepage, retail outlets, customer service points, POS materials)	2	1	2	1	2	1	3	2	2	3
Digital media (banners, video ads on the internet, podcasts, search engines)	3	3	5	8	3	3	2	3	5	4
Direct marketing (telemarketing, direct mail to consumers/customers, e-mails)	4	4	3	5	4	4	6	8	7	2
Research and data analysis	5	5	6	9	7	5	5	5	4	6
Public relations	6	7	4	3	5	6	4	9	3	7
Other traditional advertising (radio, press, outdoor advertising)	7	6	10	7	9	7	9	4	6	5
Sponsorship and events	8	8	9	6	6	8	7	10	9	12
Partnering with opinion leaders and celebrities	9	9	8	4	8	10	10	11	8	8
Promo, product tests, participating at trade shows	10	10	7	10	10	9	11	6	10	10
Classic TV advertising and programme sponsorship	11	11	11	11	12	11	8	7	11	9
Affiliate marketing	12	12	12	12	11	12	12	12	12	11

Source: Survey of marketing managers, September 2022. n=196

Expert opinion



Sigita Zemīte

AS Swedbank

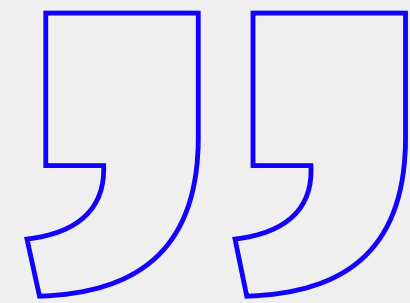
Head of Sales and Marketing Department

The survey results show us that during the pandemic, marketing also performed those duties, which are essentially more the tasks of the sales department. I think that this is not bad at all, because it fostered business thinking among marketing people, and an understanding of how the customer experience is formed during the purchase process and how vital it is.

The absolute victory march of e-commerce has come to a halt, and we feel that consumers highly value all touchpoints, including the real-life, physical ones. Now, our business clients too often mention omni-channel or

combined trading in shops, online and via other channels as the best strategy. In turn, **the first and most important task of marketing is once again to take care of brand awareness, perception and attitudes towards it.** This is particularly important, in my opinion, given the uncertainty we are currently experiencing in relation to the general economic situation. **Investments in advertising will probably have to be cut once more, and brand awareness and trust in them will become the basis for every consumer's choice, thus affecting sales figures in the most direct way.**

Expert opinion ^{1/2}



Inese Kalveite

Tet

Director of Marketing and Corporate
Communication

From my perspective and experience, the coming year will mark an even closer collaboration between sales and marketing, saying goodbye to communication breakdowns when it comes to potential customers and those who respond quickly enough to their needs. Accordingly, if one of the study's conclusions is that marketing is returning to the goals it can directly influence, then in my list sales would be alongside increasing brand value and generating interest in the product.

The next year is uncertain, and most likely there is no room for optimism when it comes to reducing budgets, optimisation or looking for new communication channels, etc. At the same time, it is an opportunity to highlight outstanding customer experiences and attract new potential customers by building trust between the brand and the services provided. ▶

Expert opinion 2/2

I've always stressed to my marketing teams that **we have to do our homework, because neither agencies nor partners can know better than us what we require at the relevant moment in time. We are ready to tackle many tasks ourselves, turning to partners when we need to achieve a result faster or lack certain skills.**

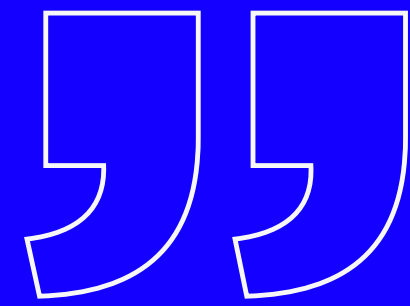
The biggest obstacle to introducing marketing technologies and innovation is the lack of time and inability to stop. To improve processes, we begin by asking can we not do this? Letting go of surplus elements is already an essential step towards innovation.

Marketing professionals are almost unanimous that budgets will contract, but there are a few things that are becoming more important each year. These are people and our responsibility

for the environment, an inclusive society and accessible knowledge about technology. It is pretty safe to say that big companies' marketing budgets don't cut corners on spending on these items.

“ I am in favour of balanced KPIs, therefore, to me, sales and brand stand next to each other when it comes to evaluating a company's marketing effectiveness, because there's not much point in recognition or mentions in the media, if they did not also result in sales in the long term. ”

Expert opinion



Jānis Romanovs

Norstat International Sales Manager



Looking at 2022 trends in Latvia and on the global scale, we can see that the “shelf life” of data is decreasing. Taking into account the global events that are also significantly impacting Latvian businesses, the situation and conditions are changing very rapidly, creating both risks and opportunities for companies that are able to exploit them successfully. In the current economic climate, the satisfaction and loyalty of existing customers is becoming increasingly important, and in coming years we expect it to receive increased attention. Also, taking into account the dynamic

market fluctuations, we expect to see a lot more regular studies, which allow companies to keep their finger on the pulse and act accordingly if necessary. Likewise, we see **growing demand in Latvia and other countries for solutions that allow us to keep track online of various metrics of importance to the business.** Although **NPS will undoubtedly remain one of the main indicators, I expect it to be supplemented by individually established measurements**, which take into account a particular company’s specifics and the market situation, and help make important business decisions.

5.

Trends of recent years continue to be relevant

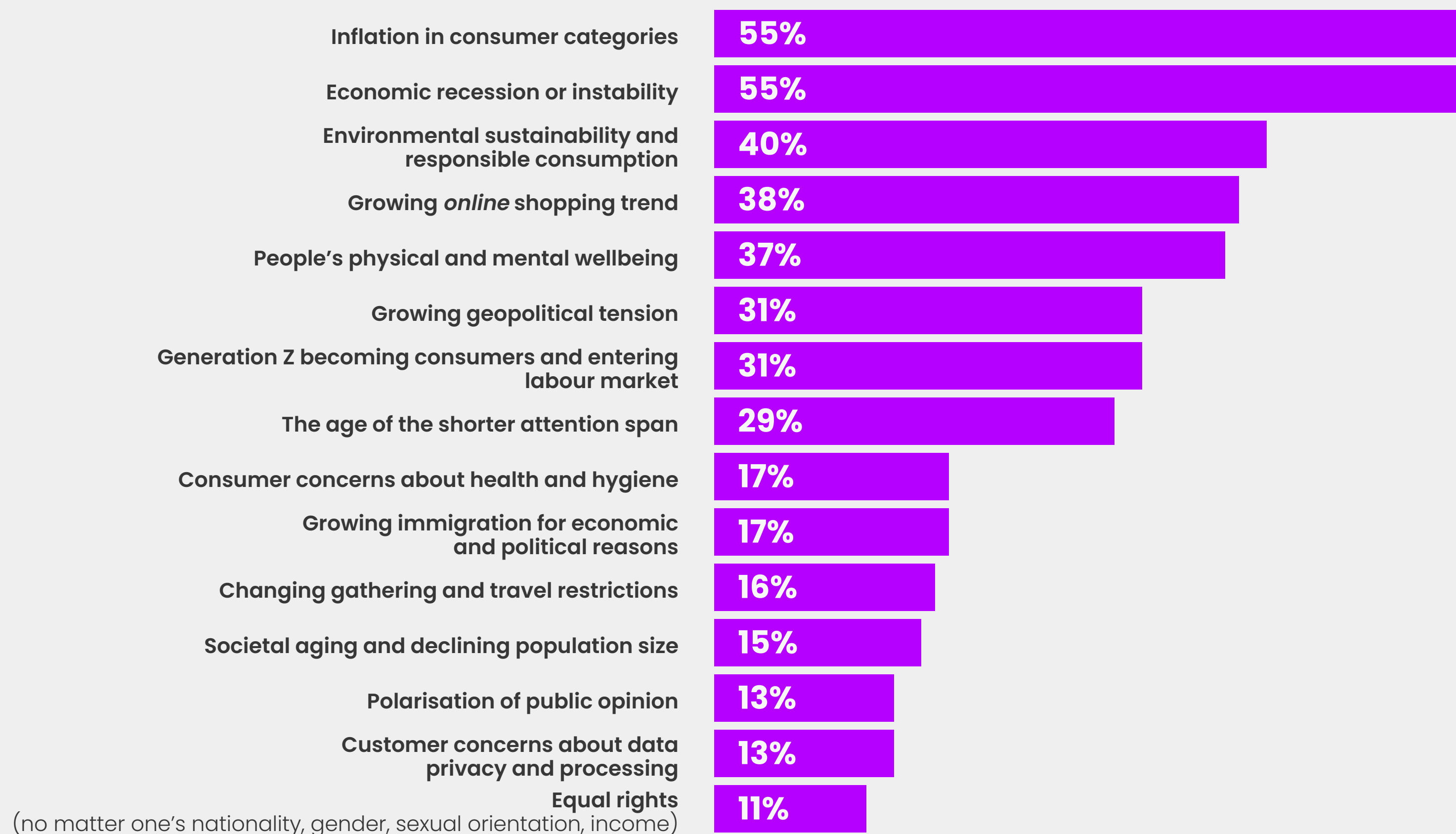
Macroeconomic circumstances affect but do not cancel other trends and plans, which are already under way. In planning next year's marketing activities, we continue to factor in environmental sustainability, the Gen-Z entering the labour market, and mental and physical wellbeing.

Main strategy themes:

Economic topics will be at the heart of strategies for the next 1-2 years – inflation and economic recession are the main themes that will influence strategies.

However, environmental sustainability, *online* shopping and people's physical and mental wellbeing will continue to be important.

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 2022. n=196

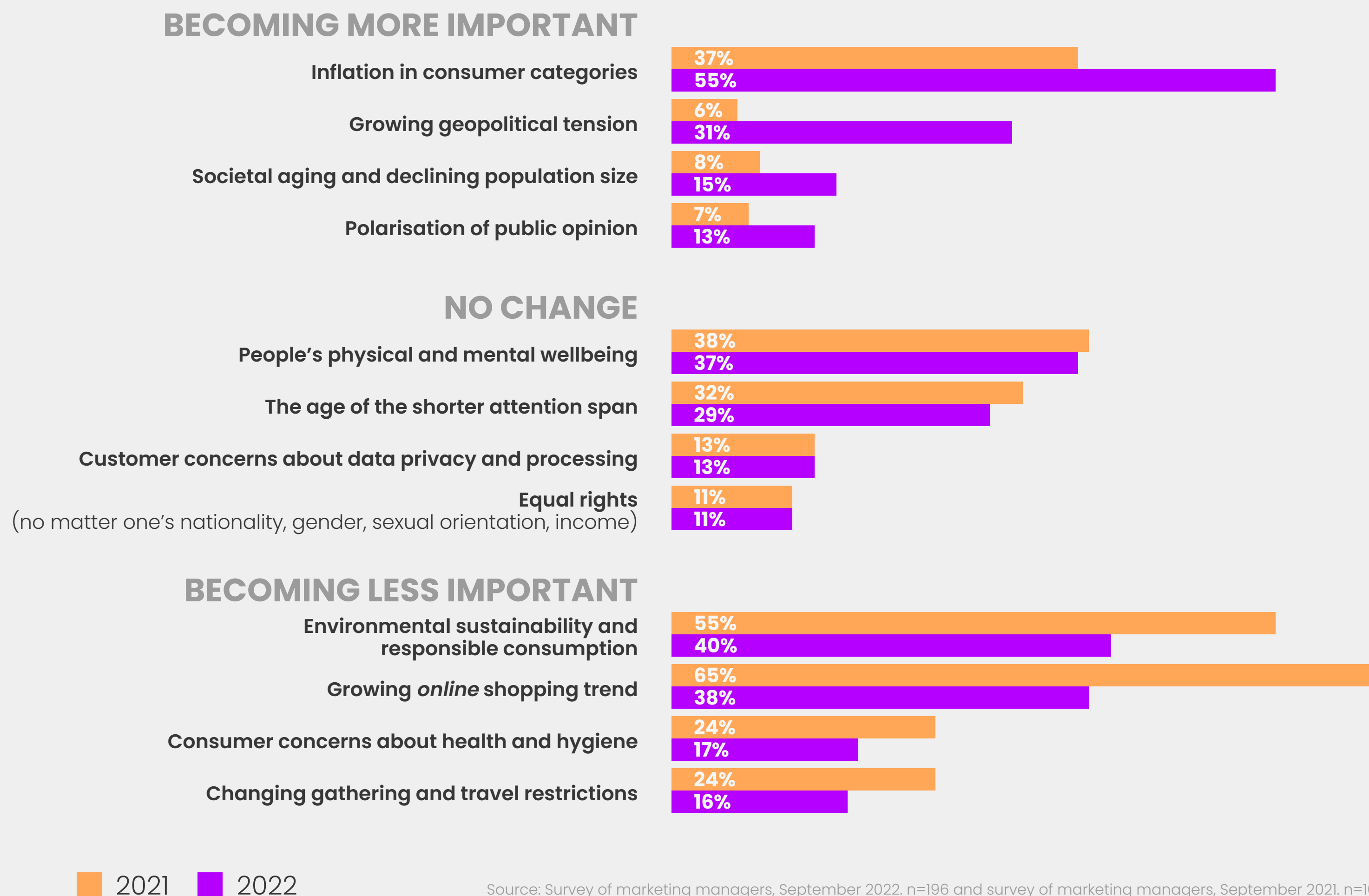
Main strategy themes: 2022 vs. 2021

Inflation and geopolitical tension have become much more important to marketing professionals this year.

People's physical and mental wellbeing is equally important for over 1/3 of respondents.

Environmental sustainability and *online* shopping have become slightly less important, but they are still definitely among the major challenges to be taken into account in 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?



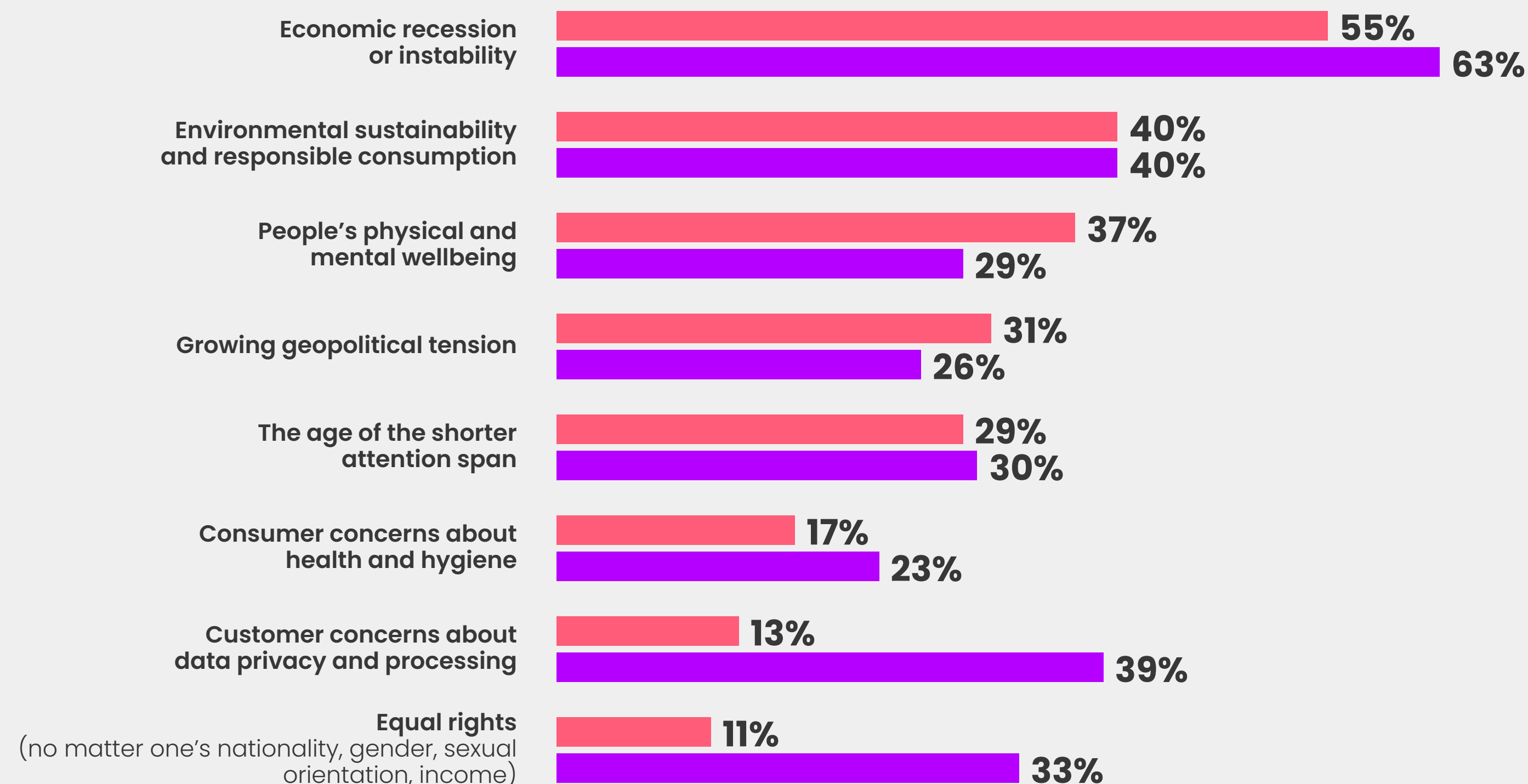
Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

Main strategy themes: Latvia vs. the world

Comparing Latvia and the world, we notice a range of similarities. The economic recession and environmental sustainability are driving strategies both in Latvia and around the world.

Customer concerns about data privacy and equal rights are receiving more attention outside Latvia.

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



■ Latvia ■ World

Source: Survey of marketing managers, September 2022. n=196 and survey of marketing managers, September 2021. n=103

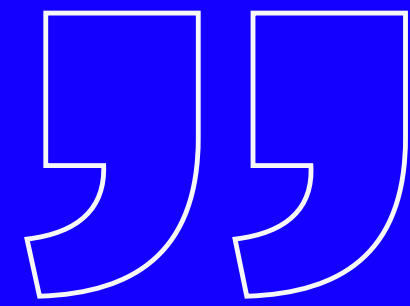
By sector

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

	Overall	Construction, infrastructure and real estate	Consultations and professional services (legal, accounting, etc.)	Agriculture and extractive industries	Art, entertainment, media and sport	Retail and wholesale (incl. e-commerce)	Services for the public and the businesses (finances, insurance and telecommunications, etc.)	Manufacturing	Public, non-governmental organisations and public administration	Transport and logistics
Inflation in consumer categories	1	1	5	4	2	1	2	1	4	2
Economic recession or instability	2	2	1	2	3	3	1	2	2	1
Environmental sustainability and responsible consumption	3	3	3	1	6	6	3	3	3	9
Growing <i>online</i> shopping trend	4	10	6		7	2	6	4	10	3
People's physical and mental wellbeing	5	5	2	7	1	5	4	5	1	8
Entry of Generation Z into consumption and the labour market	6	6	7	6	8	7	5	7	15	4
Growing geopolitical tension	7	8	4	3	9	4	8	9	5	5
The age of the shorter attention span	8	4	8	5	5	8	7	8	6	6
Consumer concerns about health and hygiene	9	11	15	11	12	9	13	6	11	
Growing immigration for economic and political reasons	10	7	10		15	10	9	12	8	8
Changing gathering and travel restrictions	11	13	9	13	4	11	11	14	14	
Societal aging and declining population size	12	9	12	8	13	13	14	10	12	7
Polarisation of public opinion	13	14	11	9	10	14	15	15	7	
Customer concerns about data privacy and processing	14	12	13	12	11	15	10	13	13	10
Equal societal group rights (by nationality, gender, sexual orientation, income)	15	15	14	10	14	12	12	11	9	

Source: Survey of marketing managers, September 2022. n=196

Expert opinion ^{1/2}



Kristiāna Antoniške

MADARA Cosmetics AS

*Head of the Brand Marketing and
Communication Department*

Environmental sustainability and people's wellbeing have always been relevant in the MÁDARA brand marketing strategy and rooted in its values. I agree that it can be challenging to turn words into action, or – in the environmental context – how many are willing to go with a Patagonia-level 'Don't buy this jacket' campaign in the current economic climate? However, without going into extremes, to me this is a question of well-considered action and balanced, empathic decisions, and asking the following questions

before taking any step: "Why does the market need this latest product and how will it change a person's life?"

It seems that businesses are slowly approaching the stage when sustainability issues are entering company strategies as self-evident processes rather than trends, and

maybe that is why the research results show that this topic is becoming less important. To clarify, this is not because the issue receives too little attention, but because we are already at the stage of implementation and practice. ▶

Expert opinion 2/2

It comes as no surprise that *Generation Z* has become a significant challenge on marketers' agendas. We also ask ourselves: "What does this generation expect from us? How do we reach them?" This prompts a reassessment of both communication and the offering. Also, if we speak of the labour market, we have to learn new relationships and keep an open mind to see what this new generation joining the team can bring us (and it certainly can!) and be ready to change with it.

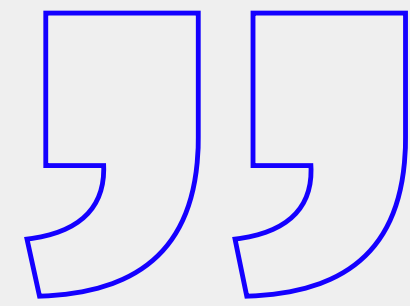
The recent social and economic challenges have definitely made

everyone ask questions about the rules of the market, what they mean, and if we are we ready to accept them and use them wisely.

Invariably, the ability to hear and see is the best tool for dealing with challenges,

therefore, I see the topic of "customer concerns about data privacy and processing" raised in the study as a high priority in the list of marketing strategy challenges moving forward.

Expert opinion ^{1/2}



Anda Ansonka

Hestio AS

Head of Marketing Department

It is logical that during economic downturns and rising prices, customers (which in our case are businesses, as we represent the B2B segment) have become more cautious in their spending and are prioritising essential purchases. They want to be sure that the purchases they make are *correct*, therefore our marketing communication focus is currently directly towards clarifying the value and benefit of the service provided.

In the work environment segment, it is clear that extremely thoughtful purchases are being made, which in turn also means more responsible consumption,

which is one of the goals of sustainability. ▶

Expert opinion 2/2

Of course, with a focus on reducing costs, increasingly, instead of the *green* products they previously chose, customers are opting for lower priced alternative goods, but **the responsibility of the partner towards the environment plays a major role – both in regard to safe production processes, waste reduction solutions, etc.**

As representatives of the workplace supply segment, **for many years we have observed that concern for physical and mental health is consistently relevant and important.**

In regard to employee performance and productivity, a healthy work environment is one of the key factors. Recently, alongside physical comfort, the mental health of employees has become a priority for both employees and the employer. Since **competition for the most talented employees is intensifying, providing an excellent employee experience and welfare programmes are becoming increasingly crucial to attracting new talents to your companies and retaining existing ones.**

Over the years, we have experienced

several age-defining demographic shifts – generational shifts. Currently, as **Generation Z is entering the labour market, which is crazy about the latest fashion trends and technologies, important changes are happening to how work is organised and the work environment optimised.** Thanks to the latest technologies, automation and cognitive tools, our customers are working hard to improve the efficiency of their businesses. For several years now, process automation and using the opportunities that the latest technical solutions provide have played an important role in our marketing strategy.

Expert opinion



Līga Reide

WKND

Senior Strategist

Marketing managers and their teams do not face an easy task. Short-term and long-term plans need to be balanced. You need to be able to act flexibly today, but keep your eye on the long term at the same time. In crisis situations, there are often a lot of short-term *fires* and they tend to swallow up long-term thinking. The challenge is to maintain a balance.

Just like previous crises, this crisis too will pass. Therefore, **it is the job of marketing professionals not to lose their focus on consumer macro trends, which are and will continue to be relevant, regardless of the economic**

situation, and will directly impact their business. Nobody has cancelled them.

In the review, we can see that although the main focus of marketing strategies is responding to the current economic situation, all forces are not concentrated there, which, in my opinion, is a healthy and sustainable approach.

The future will come, but the future success of the brands we manage depends on our thinking, planning and working right now. As they say, medals are earned in training, but collected at the Olympic Games.

* APPENDIX

Mission

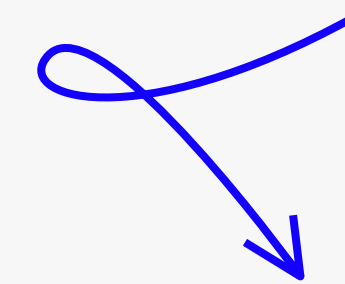
The mission of the LMT is to provide a comprehensive review of the Latvian marketing scene in terms of both content and form. The goals of the study are to create data-based efficiency benchmarks, and to offer uniform and sufficiently universal criteria, according to which marketing experts can evaluate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

Edition No.2

We plan to publish the LMT every year to provide comparable results and monitor trends in Latvian marketing.

Authors

The toolkit is produced by:



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 is one of Europe's leading market research companies that specialises in data collection.

MBD.

MBD is a media agency with a fresh and innovative approach to media planning, specialising in strategic and digital media marketing.

Delfi Bizness

Delfi Bizness is the business medium with the biggest audience in Latvia and covers the broadest range of themes, from industry analysis and forecasts, through to interviews with professionals and research into national developments.

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.

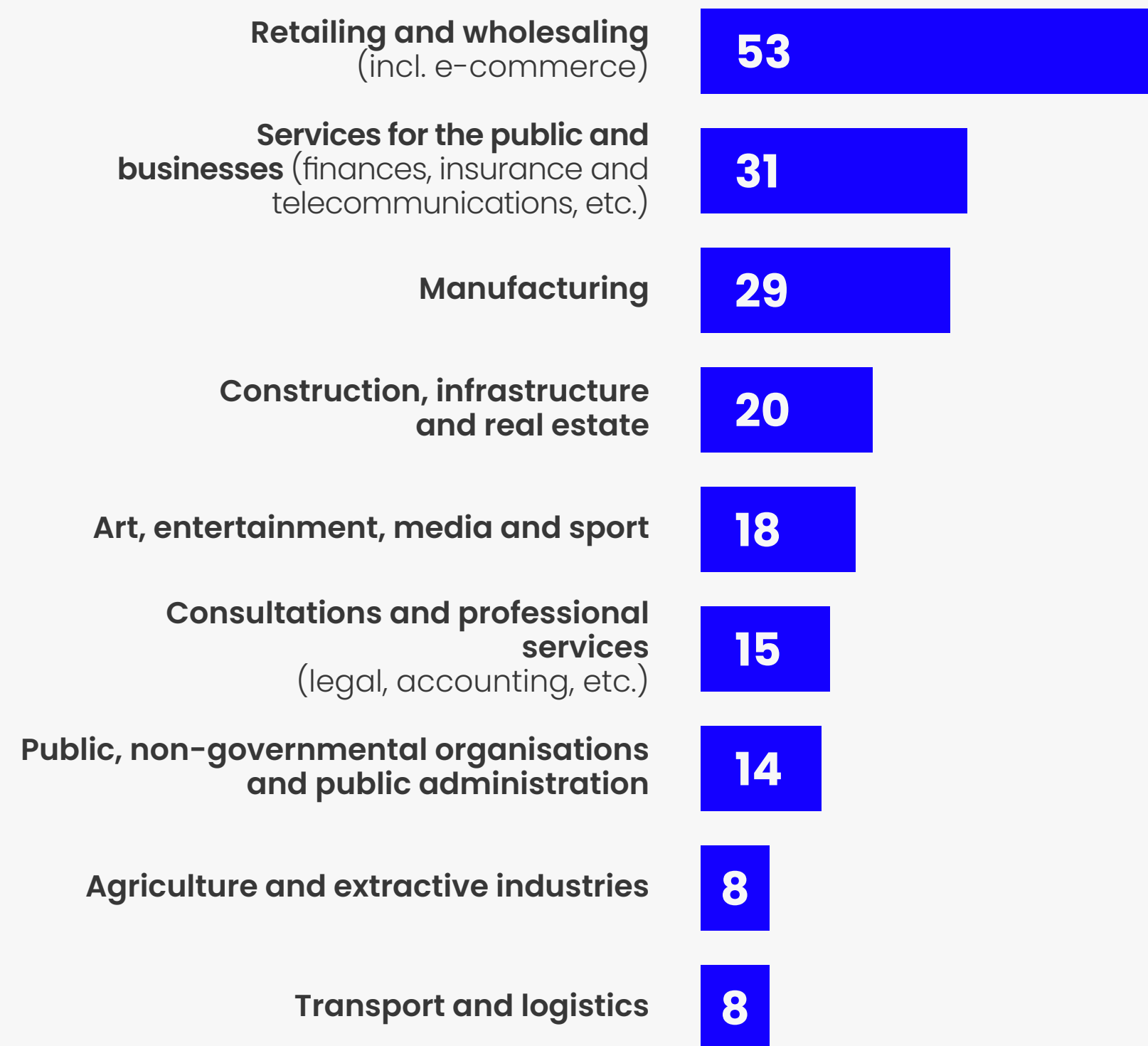
The market research company NORSTAT carried out the survey, ensuring its anonymity, data collation and quality control. For quality control purposes, only those respondents were selected who confirmed their identity with real e-mail addresses.

A total of 196 opinions were obtained, of professionals involved in developing their companies' marketing strategies.

Study participants

What industry does your company operate in?

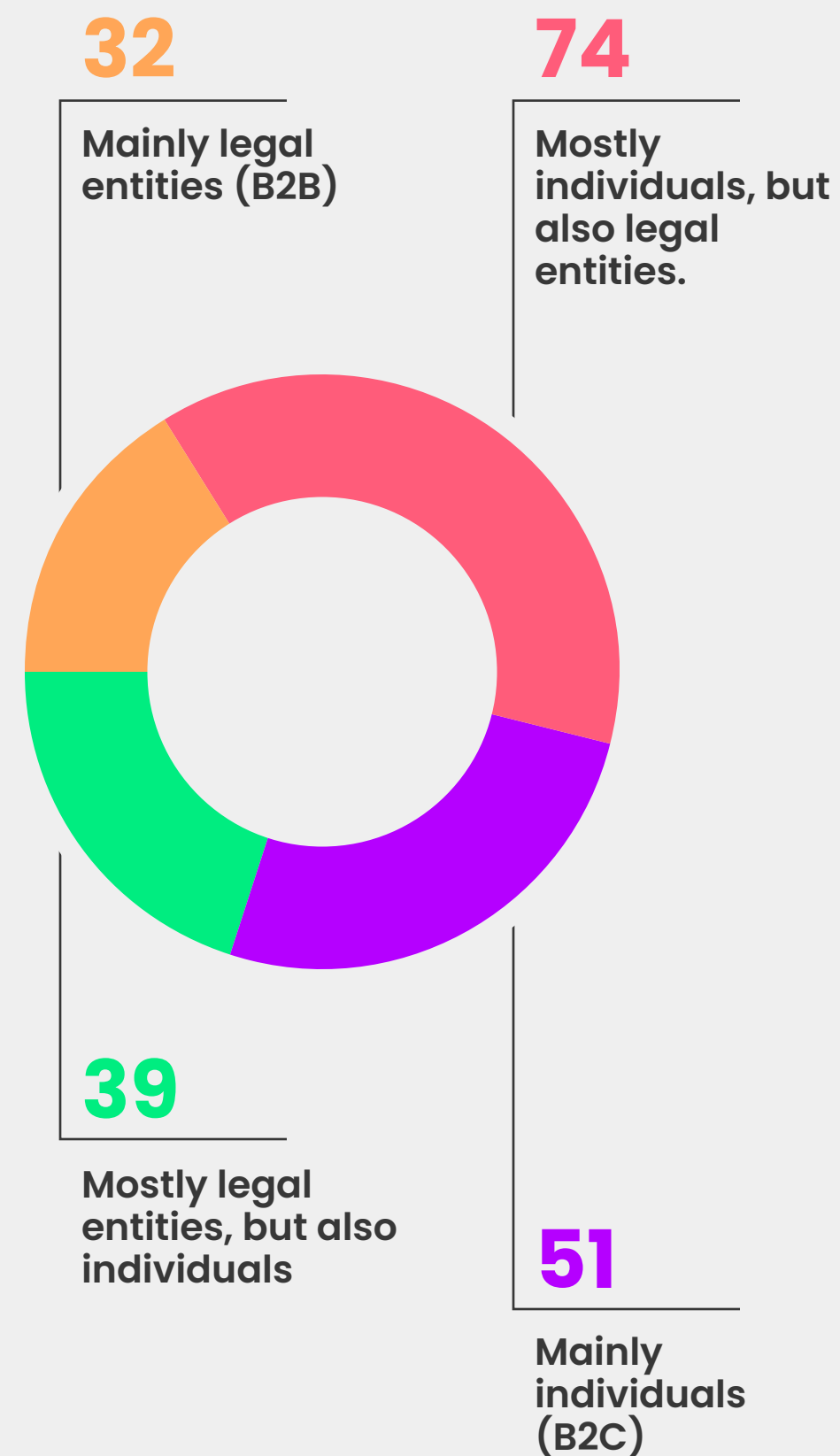
If it operates in several, please indicate the primary one!



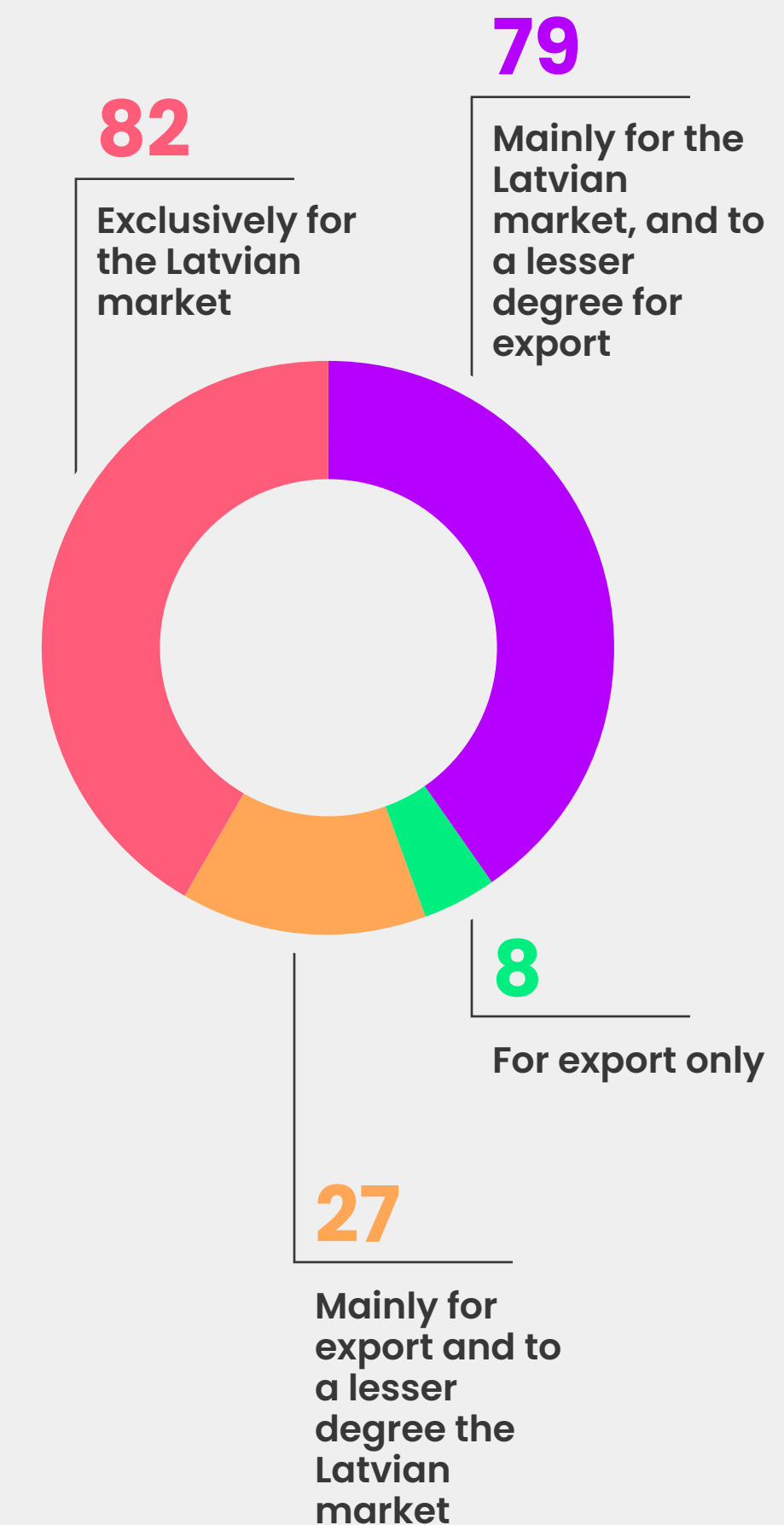
Latvian Marketing Toolkit 2022

Latvian Marketer's Toolkit 2022

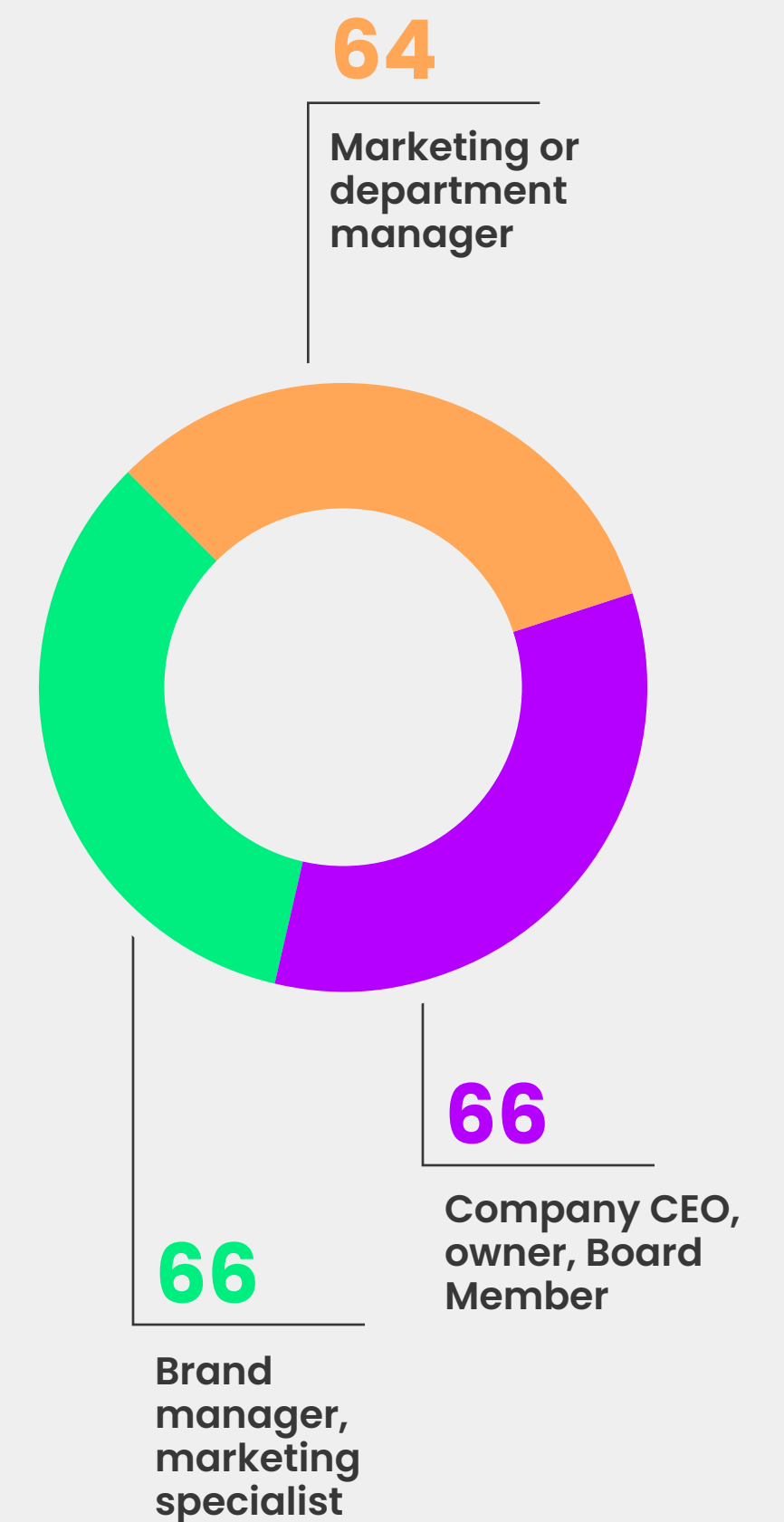
Who are your company's clients?



What market does your company work for?



What is your position/role within the company?



/2022

Latvian

Marketer's

Toolkit

Next survey in
August 2023.

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

WKND

N
norstat

MBD.

Delfi
Bizness