Barometer Report:
The Digital Skills Gap

IAB UK & Middlesex University

The digital skills gap

The digital marketing industry is constantly evolving, which means people and processes need to continuously adapt to keep up with the pace of change. This can make finding highly skilled employees a challenge for businesses in this sector, particularly as the use of technology and automation accelerates.

Recent government reports have highlighted that the rise in demand for digital skills exists in almost all industries – but that in specific industries such as marketing, the techniques and tools needed can be quite advanced.

Looking to the future and helping businesses prepare is one of IAB UK's core pillars. This report therefore looks specifically at what IAB members have highlighted as the challenges they face when recruiting and retaining talent within the digital marketing sector, as well as suggestions for how to tackle the demands.

Why is the skills gap a problem? Finding employees with skills to match industry demands is critical to the future growth of companies across the digital ecosystem and beyond. In order to do this, digital marketers need to be able to not only recruit the best people, but also keep up-to-date with changes in technology and working culture in order to retain them.

Barometer report

IAB UK and Middlesex University have worked together to get a better sense of the skills gap that the digital marketing industry is facing. From a university perspective, the speed of change in the digital industry makes designing course material that equips students with the skills they will need in the future a major challenge.

IAB UK members represent businesses across the digital marketing ecosystem, including agencies, advertisers, publishers and ad tech companies. By surveying this member base, we are able take the temperature on the size of the challenge, identify where the largest talent gaps are and explore how we can collectively address them to ensure a sustainable future for digital advertising.

IAB UK surveyed 78 members across October and November 2019. The results from this report provide advice and guidance to help the industry educate, train and attract people with the right skills to match industry demand - both now and in the future.

Jon Mew
CEO, IAB UK

"At the IAB, our mission is to create a sustainable future for digital advertising. A key part of that is ensuring that both new starters and those with more experience are equipped with the skills they need to get the most out of our fast-evolving, innovative and complex industry. By shining a light on where work is needed to bridge the digital skills gap, industry, businesses and individuals all stand to benefit."

Katie Bell
Chief Commercial Officer, Middlesex University

"At Middlesex University, we are passionate about giving our students opportunities to learn the skills they will need to compete for the best jobs in the UK and internationally. That's good for them and it's good for business. Our industry partnerships mean that we can be ahead of the curve in nurturing the skills that businesses will be demanding tomorrow, not just today, and helping our students to understand and navigate the career pathways that are open to them, enabling them to compete in the global marketplace."
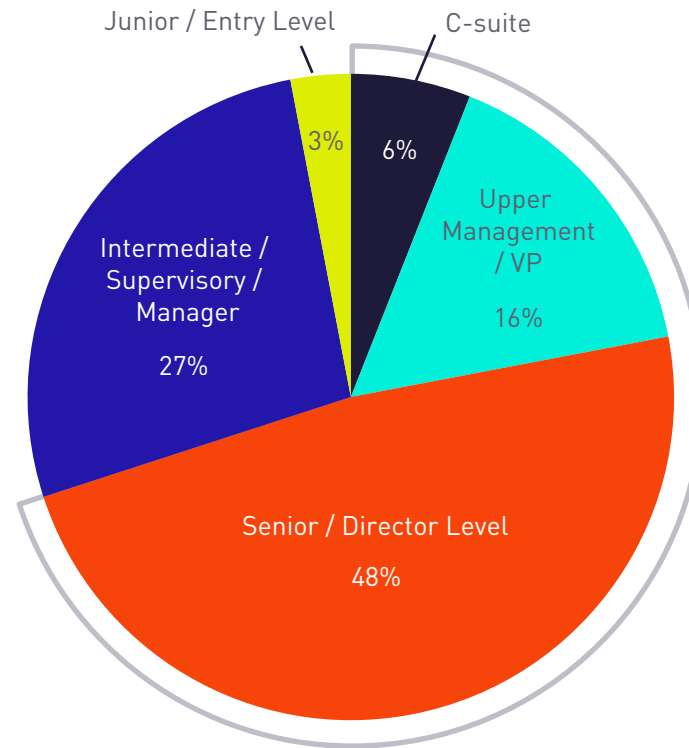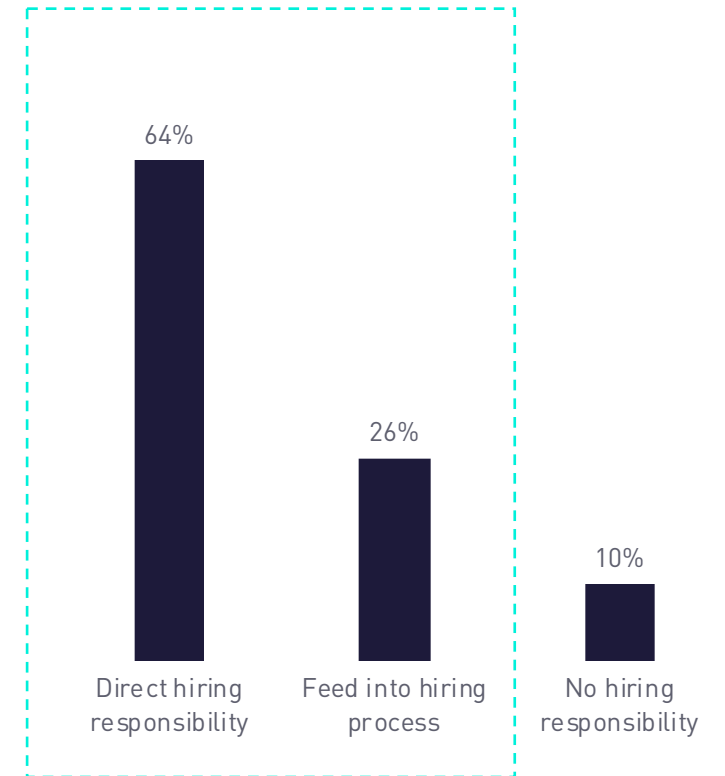
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Who participated?

Sample consisted of 78 IAB member survey respondents. 67% from Advertisers, Agencies or Media Owners
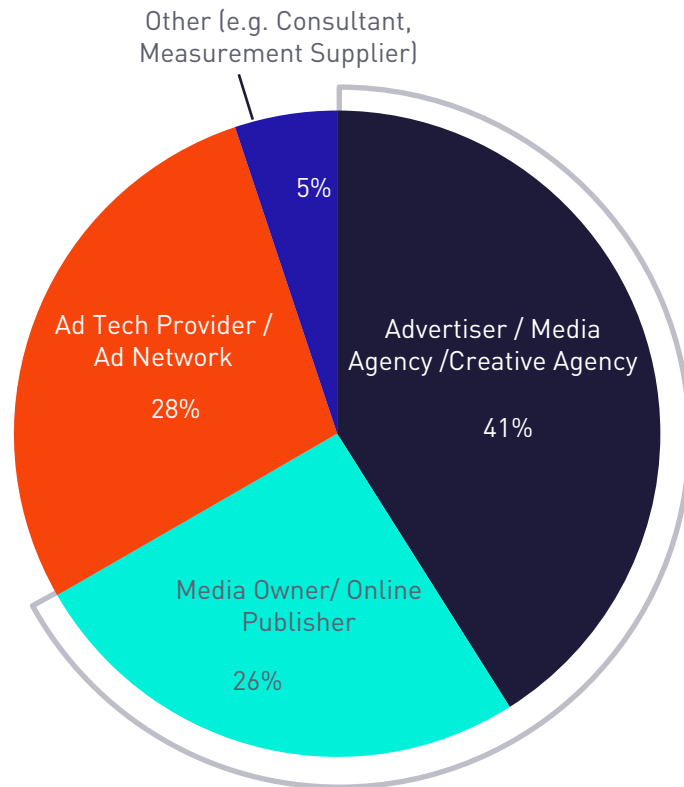
70% of respondents at Senior / Director Level or above

90% have direct responsibility for hiring or feed into hiring process

Pie chart 1:
- Other (e.g. Consultant, Measurement Supplier) 5%
- Advertiser / Media Agency /Creative Agency 41%
- Ad Tech Provider / Ad Network 28%
- Media Owner/ Online Publisher 26%

Pie chart 2:
- Junior / Entry Level 3%
- C-suite 6%
- Upper Management / VP 16%
- Senior / Director Level 48%
- Intermediate / Supervisory / Manager 27%

Bar chart:
- Direct hiring responsibility 64%
- Feed into hiring process 26%
- No hiring responsibility 10%

IAB UK / MDX Digital Skills Gap Barometer Report
Survey of IAB UK members (n=78)

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Commentary from a range of senior industry figures...

Natalie Bell
Managing Director
Manning Gottlieb OMD

Sherry Coutu CBE
Founder
founders4schools

David Terry
Founding Director
Pivotal London

Rachel McDonald
Managing Director
Dentsu Aegis North

Bruce Daisley
Former VP - EMEA
Twitter

Su-Mei Thompson
CEO
Media Trust

Key findings from the survey

1. Finding up-to-date skills is a big challenge

88% claim that finding qualified individuals with up-to-date digital skills is a challenge for their business.

2. Shortage most pronounced at junior levels

65% cite a particular shortage of skills among junior and intermediary employees.

46% think that most new graduates are not equipped to take up careers in the digital marketing sector.

3. Prominent skills gap in areas with rapid market adoption

The skills gap is most pronounced in areas that have seen rapid market adoption, reflecting high demand and high levels of competition.

Data and advanced analytics are key skills cited as being increasingly important, but also difficult to find.

4. It's also difficult to retain highly skilled staff

78% find it difficult to retain staff with sought after digital marketing skills.

Solutions include ongoing training and career development, as well as improved working cultures.
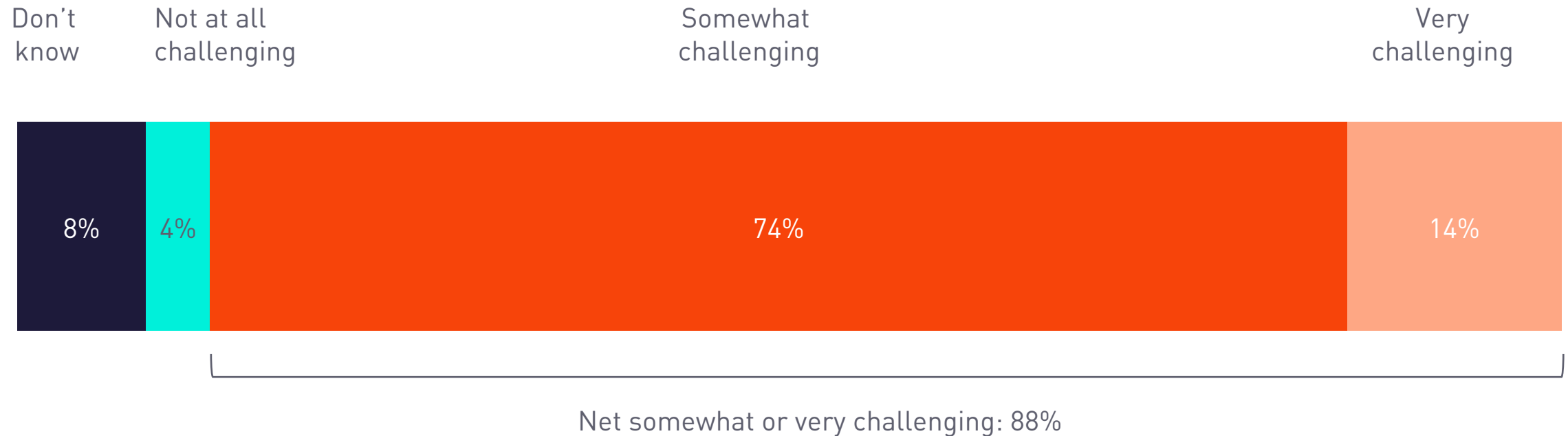
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How big is the digital skills gap and where is it most pronounced?

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88% say it's a challenge to find qualified individuals with up-to-date digital skills

How challenging is it for your business to find qualified individuals with up-to-date digital skills?

Don't know	Not at all challenging	Somewhat challenging	Very challenging
8%	4%	74%	14%

Net somewhat or very challenging: 88%

Natalie Bell
Managing Director, Manning Gottlieb OMD

"When it comes to digital advertising, nothing stays the same for long. While this makes for an exciting, fast-paced industry, finding employees that have up-to-date digital skills isn't always easy and has now become such a transient talent group that I believe it's stifling industry-wide growth. I'd hope that raising awareness of the issue further can help accelerate us tackling this together for the benefit of both employers and a wider pool of prospective talent."

49% believe there is a digital skills shortage across the whole marketing industry

1 in 3 think there is a digital skills shortage at their business. However, almost half believe a digital shortage is more pronounced across the whole industry
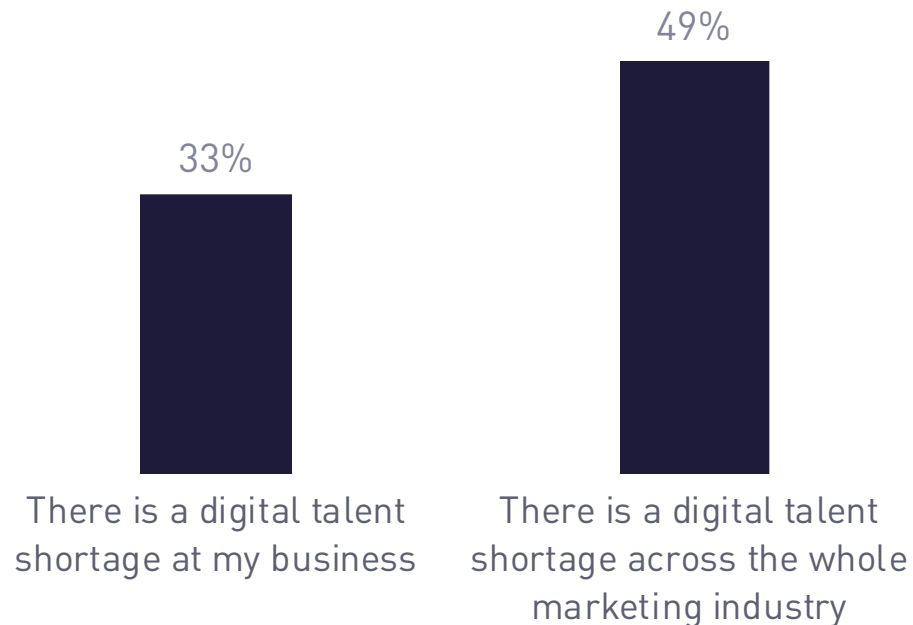
A skills shortage is perceived to be bigger for digital marketing specifically. Fewer respondents cite an overall talent shortage across the whole marketing industry

33%
There is a digital talent shortage at my business

49%
There is a digital talent shortage across the whole marketing industry

19%
There is an overall talent shortage at my business

23%
There is an overall talent shortage across the whole marketing industry

A fast evolving industry and a lack of training opportunities are some of the key challenges leading to digital skills shortages

Why there is a digital talent shortage:

Hard to keep up with evolving industry

Not enough training

Staff siloed too quickly

Talent not exposed to the industry

The fast pace makes it difficult for recruiters, who have often not kept up with evolution in technology. Traditional media skills still dominate job adverts.

Teaching in schools and universities does not match industry needs – more emphasis needed on practical application. Up-skilling current staff is also a challenge.
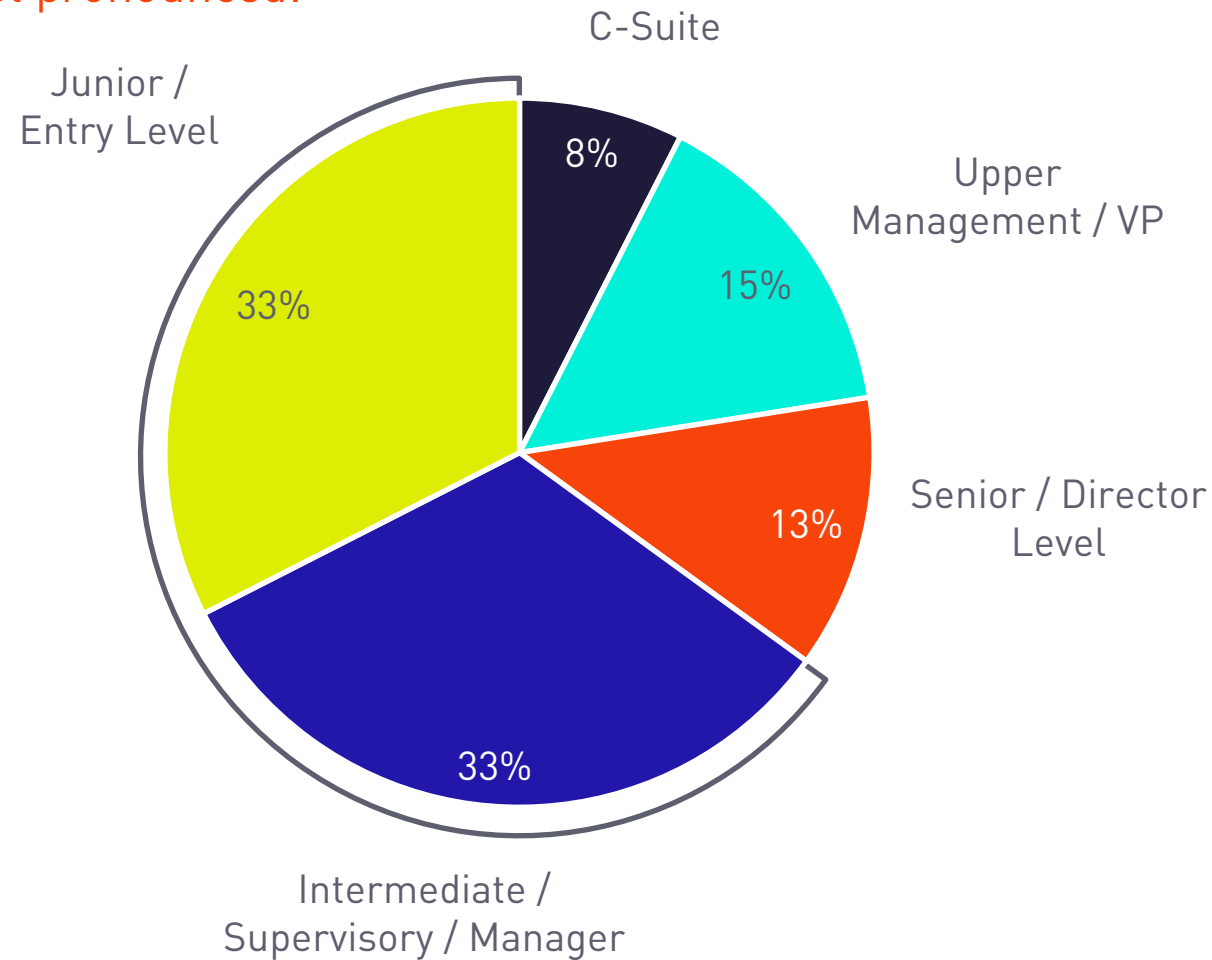
Traditionally, digital roles have been separated from the rest of the business. This is outdated and now the industry requires more generalist roles.

The breadth of opportunity within digital marketing is not exposed to new recruits, which leaves many businesses struggling to fill roles.

The digital skills shortage is most pronounced in junior and intermediary employees* (65%), however the challenge spreads across all levels

Where the shortage is most pronounced:

C-Suite 8%

Upper Management / VP 15%

Senior / Director Level 13%

Intermediate / Supervisory / Manager 33%

Junior / Entry Level 33%

*11% don't knows removed

General knowledge of the industry is missing at all levels, but specific gaps exist too

The most important digital skills are missing in these areas:

Junior

"Basic knowledge of the digital ecosystem"

Gaps at this level:

- Practical experience
- Soft skills
- Knowledge of the marketing industry in general
- Programmatic

Intermediate

"Everyone needs mids to do the day-to-day"

Gaps at this level:

- The combination of broad experience and specialist knowledge
- Cross-channel understanding
- Understanding the importance of creative impact
- Drive to test new things and innovate

Senior

"In-depth technical understanding and ongoing updated knowledge"
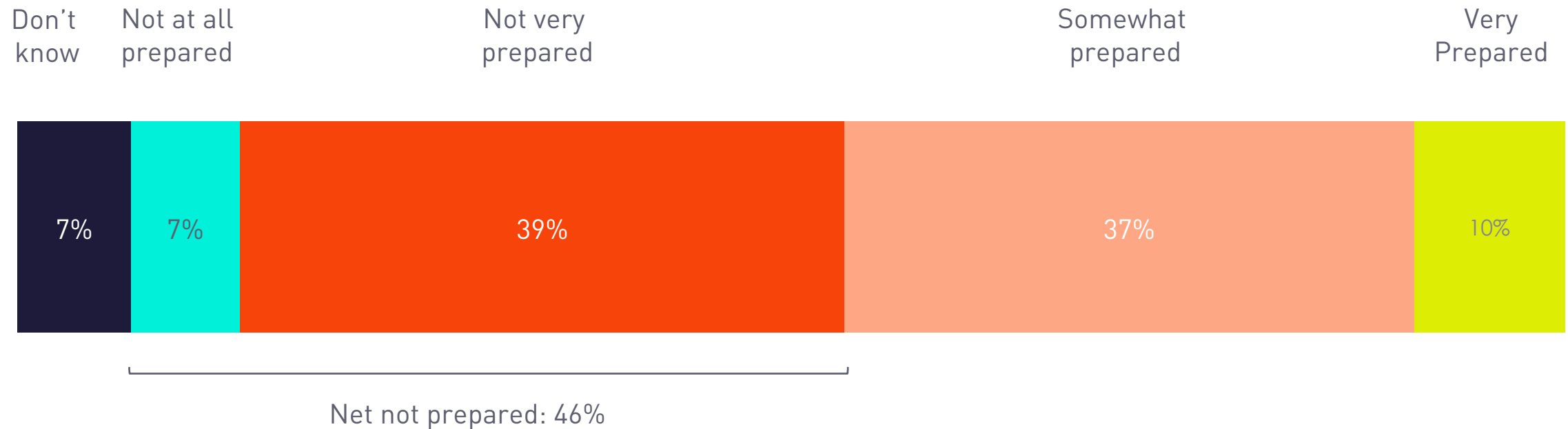
Gaps at this level:

- Exposure and understanding of digital (likely to be trained in traditional media)
- Tech understanding, e.g. programmatic
- Ability to keep apace with changing industry e.g. how new regulation will affect digital marketing

Only 10% think new candidates coming through universities are very prepared for the digital marketing industry

Do you think new candidates coming through universities are prepared to work in the digital marketing industry?
i.e. equipped with the necessary skills and knowledge

Don't know	Not at all prepared	Not very prepared	Somewhat prepared	Very Prepared
7%	7%	39%	37%	10%

Net not prepared: 46%

Catherine Cribbin
Industry Initiatives Manager, IAB UK

"With the pace of change in digital advertising, it's not surprising that a digital skills gap exists for university graduates entering the industry. This will always be the case to some extent – we all learn on the job – but in order to ensure candidates are best prepared for their first role, we need to work closely with universities to evolve current training and communicate future needs."

Franco Beschizza FCIM
Programme Leader: MSc Digital Marketing, The Business School, Middlesex University

"At Middlesex University Business School our mission is to empower our students with the ambition, skills and knowledge to succeed in graduate employment. We have formed a unique partnership with IAB UK as a critical first step in helping to close the digital skills gap and strengthen the industry with a diversity of new talent."

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Which skills are the most important and how hard are they to find?
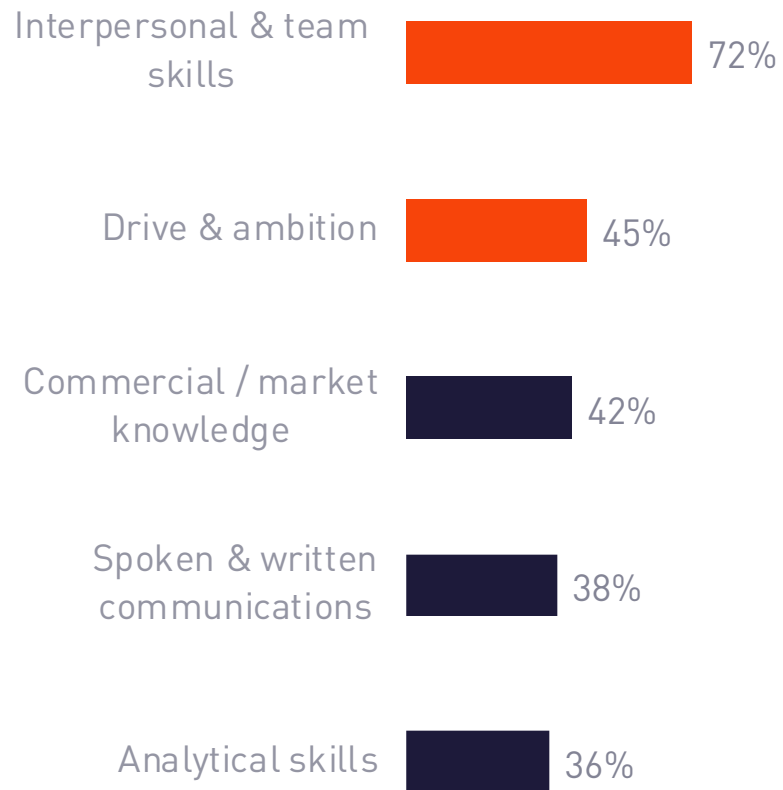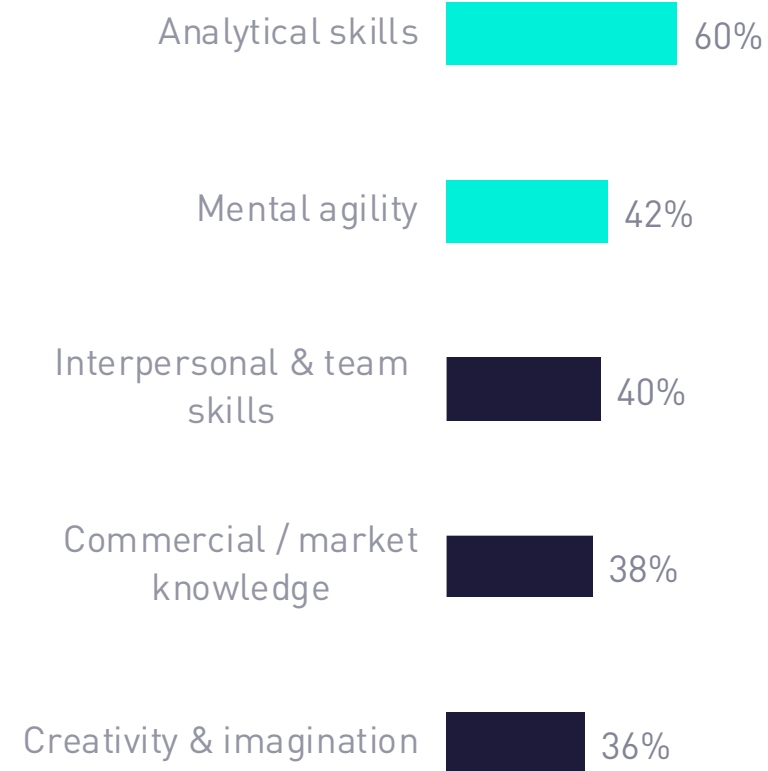
While soft skills remain important, analytical skills will be the most important trait for new employees to possess in the future

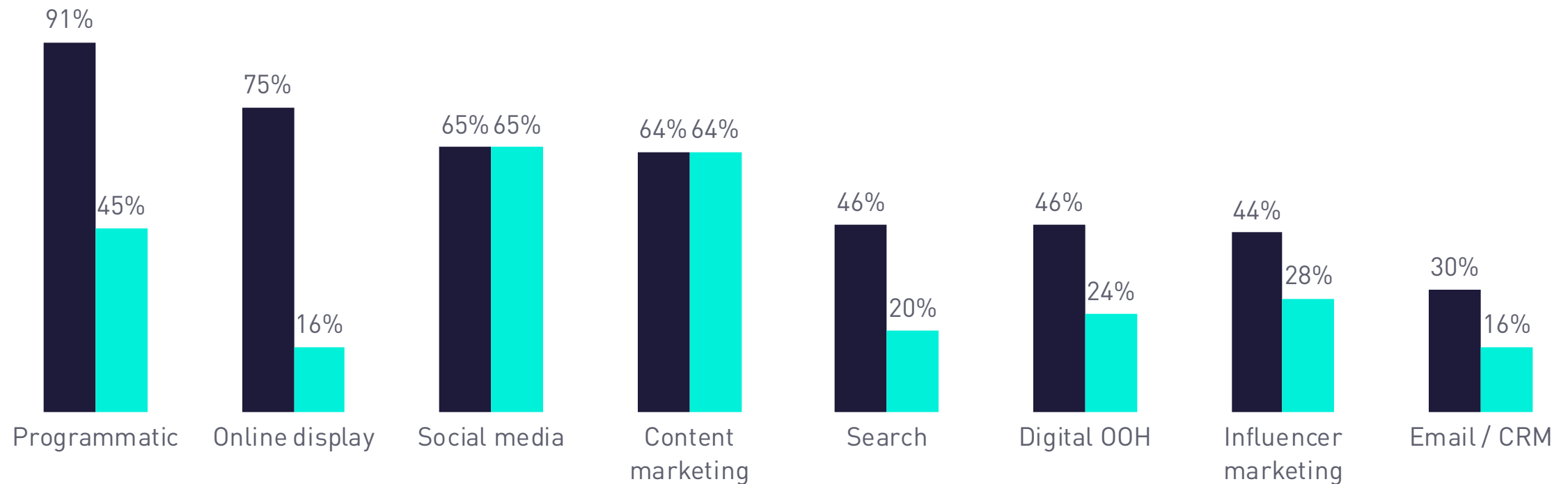Currently most important for new employees to have when joining your business (top 5):

Interpersonal & team skills — 72%

Drive & ambition — 45%

Commercial / market knowledge — 42%

Spoken & written communications — 38%

Analytical skills — 36%

Which will be most important in 5 years' time (top 5)?

Analytical skills — 60%

Mental agility — 42%

Interpersonal & team skills — 40%

Commercial / market knowledge — 38%

Creativity & imagination — 36%

Skills gaps are particularly pronounced in areas that have seen rapid market adoption - such as programmatic, social media and online content creation

Importance of skills within specific channels to business vs. difficulty to find*:

■ Important to business ■ Difficult to find

Channel	Important to business	Difficult to find
Programmatic	91%	45%
Online display	75%	16%
Social media	65%	65%
Content marketing	64%	64%
Search	46%	20%
Digital OOH	46%	24%
Influencer marketing	44%	28%
Email / CRM	30%	16%

On the technical side, advanced analytics and data management skills are the most important to businesses and also the hardest to find

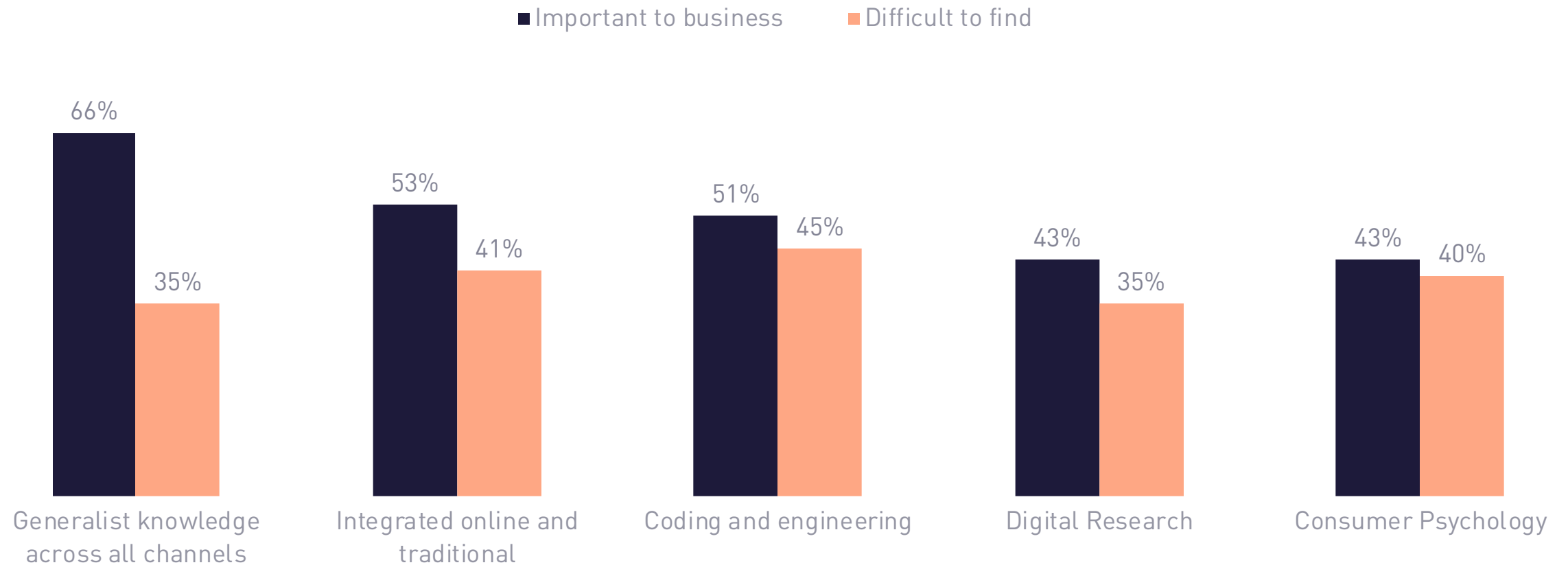Importance of technical skills to business vs. difficulty to find*:

■ Important to business ■ Difficult to find
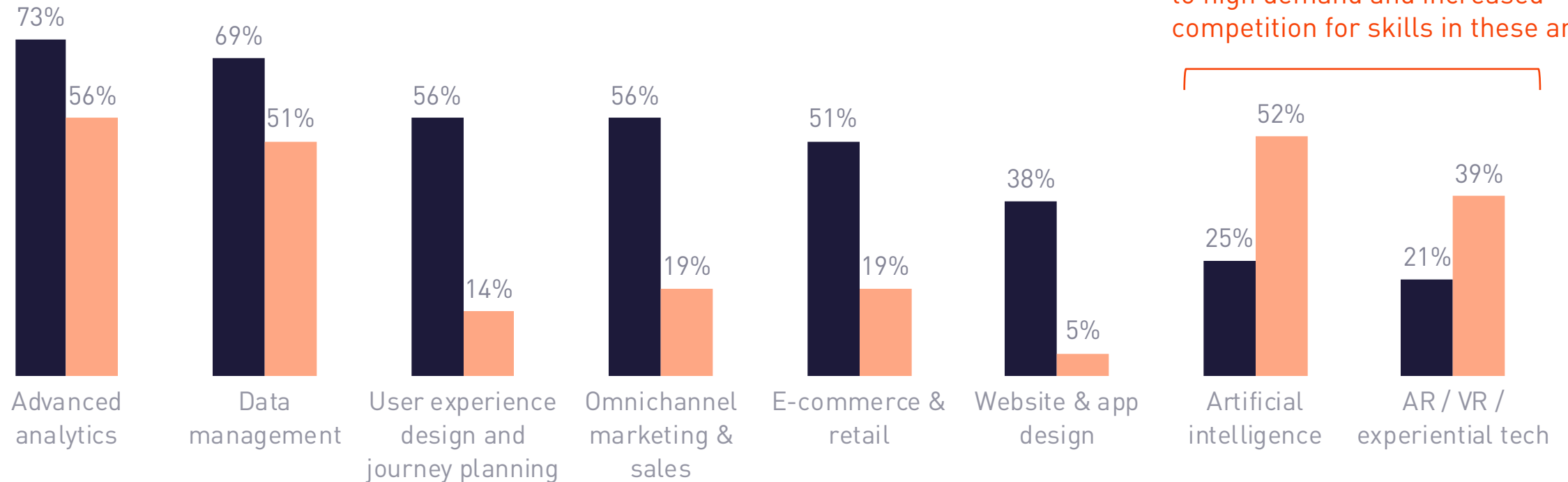
As the use of AI / AR / VR is relatively new, the pool of experts available is still quite small, leading to high demand and increased competition for skills in these areas

	Important to business	Difficult to find
Advanced analytics	73%	56%
Data management	69%	51%
User experience design and journey planning	56%	14%
Omnichannel marketing & sales	56%	19%
E-commerce & retail	51%	19%
Website & app design	38%	5%
Artificial intelligence	25%	52%
AR / VR / experiential tech	21%	39%

Coding skills and the ability to integrate online and traditional skills are also cited as difficult to find by over 2 in 5 respondents

Importance of other skills to business vs. difficulty to find*:

■ Important to business   ■ Difficult to find

Skill	Important to business	Difficult to find
Generalist knowledge across all channels	66%	35%
Integrated online and traditional	53%	41%
Coding and engineering	51%	45%
Digital Research	43%	35%
Consumer Psychology	43%	40%

David Terry
Founding Director, Pivotal London

"From a recruitment perspective, there is already strong competition for analytical talent and unfortunately demand outstrips supply. We have seen a number of our clients pivoting away from hiring roles purely reliant on softer skills and creating more hybrid positions.

Clients are looking for candidates who have more agile and versatile skills, who can deliver analytically and technically, so we are working with them to identify talent outside the sector and industry."

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What are the challenges in retaining digitally-skilled staff?

78% find it a challenge to retain staff with digital marketing skills

How challenging does your organisation find it to retain staff with digital marketing skills?

Don't know	Not at all challenging	Somewhat challenging	Very challenging
2%	20%	68%	10%

Net somewhat or very challenging: 78%
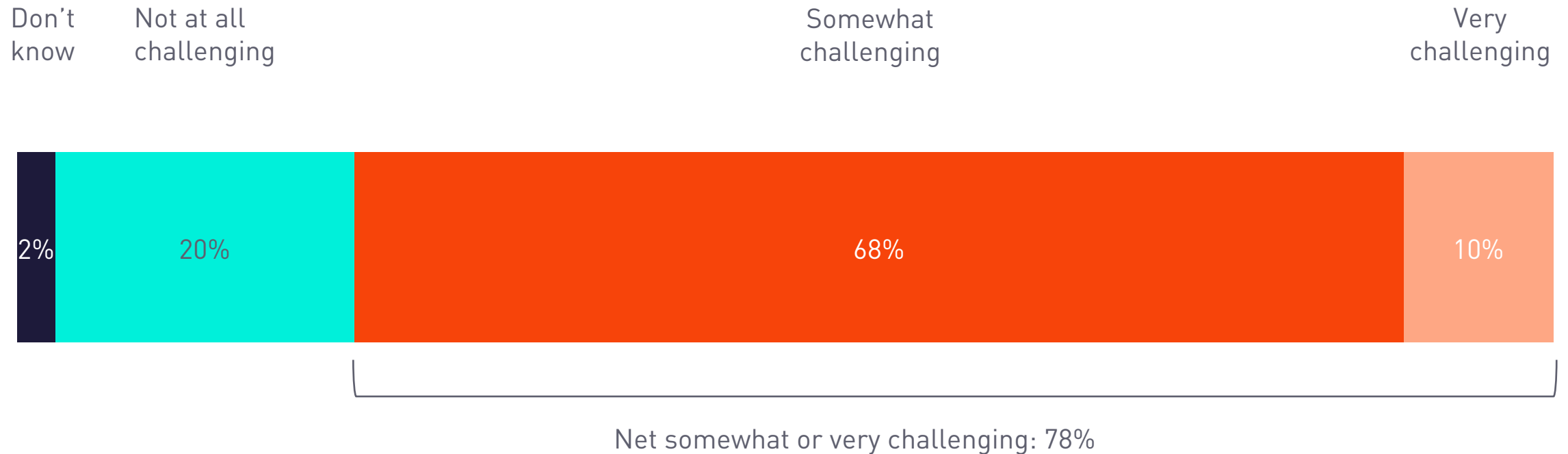
The main barriers to retaining digital talent are employees seeking more pay and better progression opportunities

Main barriers that make it a challenge to hold on to staff with digital marketing skills:

Salary

Being able to offer a competitive salary and rewards package is a challenge across the industry – employees are always seeking out a better pay offer. This leads to high churn of skilled workers.

Progression

Career progression for newly-recruited staff is a common challenge for the industry – there are few training or development opportunities, and they often do not align with employee expectations.

Competition / other opportunities

Other opportunities to retain staff – benefits packages, location, greater and varied job responsibilities – are important in order to keep staff motivated, and can attract staff to competitors.

How to find and retain digital talent

1. Finding

1. Showcase opportunities and rewards

- Showcasing the wide range of opportunities and other benefits in a fast-paced and exciting industry

- Educating potential employees on why digital marketing is a fulfilling industry to work in

Sherry Coutu CBE
Founder, founders4schools

"The future of the digital industry is reliant on businesses attracting the right talent.
At founders4schools, our aim is to bring the industry to life for students via speed-mentoring, role model events, career fairs, workplace visits and work experience.

By bringing leading industry figures into schools to speak first-hand about their careers, we can help to inspire and educate students as to what skills they will need to stand out from the crowd and secure a career in digital advertising."

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2. Changes to hiring process

- Introducing new forms of recruitment that are inspirational and modern

- Making efforts to recruit a more diverse and inclusive workforce

- Ensuring recruiters keep apace with developments in digital marketing so that job adverts match expectations

David Terry
Founding Director, Pivotal London

"Despite initiatives and strategies from the top, the biggest challenge we face in recruitment is hiring managers looking to hire like-for-like, straight from a competitor. This is restrictive for the industry and limits diversity. In developing ways to better assess and understand transferable skills, we could unlock huge talent pools of people who would love to work in digital - it's a great industry!"

Sophia Haynes
Director of Campaigns, IAB UK

"It's an overdue problem - tackling diversity in recruitment. Consider blind CVs, diverse interviewers, neutral language in job descriptions, no expectation of years' experience or a degree.

Don't work with agencies who don't commit to diversity but do work with schemes that promote candidates who, for example, are neurodiverse, marginalised or returning to work. And importantly, make sure that once you've recruited these wonderful people, they're supported and included. Recruitment is critical, retention equally so."

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3. Practical education

- Offering practical experience to students at schools and universities is important, exposing them to the broad range of media, advertising and data science knowledge needed to succeed

Kai Xu
Associate Professor in Data Analytics, Middlesex University

"Having knowledge of digital marketing is a considerable advantage, and such advantage can be increased dramatically if combined with the latest development from data science and artificial intelligence. The industry opportunity is to offer practical experiences and build long-term relationships with schools and universities, as well as other training schemes."

2. Retaining

1. Ongoing training and career development

- Providing long-term career opportunities to those with digital skills, through training, clear progression paths and development routes throughout their working life

- Providing continuous development within the job role, to ensure employees keep up with the evolution of the media and tech industry

- Giving autonomy, offering training and development and promising variety in order to retain staff over time

Rachel Arch
Head of Partnerships, IAB UK
"Training is crucial throughout your career, not just at the beginning. At the IAB, we offer a range of CPD accredited training courses for new starters and those that are more experienced but looking to upskill or refresh their knowledge, as well as bespoke courses to address particular needs. There's always something new you can learn, particularly in an industry that moves as quickly as ours."

Rachel McDonald
Managing Director, Dentsu Aegis North
"It's important to show that the growth and speed of change in the industry is a positive which breeds opportunity. We encourage our people to look beyond the linear career progression and seek opportunities that aren't just the obvious next step. That's why we globally offer a learning allowance that commits to giving people 40 hours a year to invest and manage their personal development. This allows them to explore and develop their skills in a 'safe environment'."

2. Improved working culture

- Creating an inclusive working culture that offers opportunities for staff to expand their skills and develop within the business

- Providing strong and inspiring leadership, and without the traditional hierarchies that feel less authentic and open

- Where possible, offering competitive benefits and flexible working policies

- Integrate digital divisions with the rest of the company, to reflect mixed methods of working and the broader marketing ecosystem

Bruce Daisley
Former VP – EMEA, Twitter

"In 2019, Deloitte's 'Future of Work' study said increasingly "the employee is a customer". The reality of this is going to look different to what we've experienced over the last decade or so.

For a long time digital (and media) has relied on long hours of intense work with the promise of long-term reward. Contemporary workers are increasingly expecting a motivating, purposeful job today, irrespective of what the future holds. This creates an imperative for all of us to create working cultures."

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Summary & resources

Summary

1. Finding up-to-date skills is a big challenge

2. Shortage most pronounced at junior / intermediary level

3. Prominent skills gaps in areas with rapid market adoption

4. It's difficult to retain highly skilled staff

We can attract new recruits to the industry by showcasing the breadth of opportunity and educating people on why digital advertising is a fulfilling industry to work in.

There's a need to work more closely with schools and universities to communicate which digital skills will be in demand tomorrow, not just today.

Practical training and modernised recruitment strategies can widen the pool of suitable candidates available.

Businesses should focus on providing long-term career opportunities, as well as creating an inclusive working culture that offers opportunities for staff to expand their digital skills and develop within the business.

Additional resources

Additional resources

Get into Digital

IAB UK has been thinking about the digital skills gap for a while, and already has some great resources for members to use and promote.

In 2019, we worked with the industry to help 16-18 year olds break into our industry by creating a 'Get into Digital' guide. This guide covers everything from top tips for CVs, expert views on how to hone your skills and a great guide of places to work. To promote this guide, we are doing a roadshow around schools in the UK to talk to young people about working in our industry.

IAB Reports

The findings in this report chime with similar projects carried out by IAB Canada and IAB Europe, indicating the global nature of this issue. Closing the gap will therefore be a competitive advantage in the global market.

- IAB Canada 'Currency of Talent' report:
  iabcanada.com/research/iab-barometer-member-survey-reports/

- IAB Europe 'Human Capital in a Digital Environment' report:
  iabeurope.eu/knowledge-hub/human-capital-in-the-digital-environment-2019-report/

Media Trust

Su-Mei Thompson
CEO, Media Trust

Media Trust are IAB UK's chosen charity partner. They work in partnership with the media and creative industry to give marginalised groups a stronger voice. mediatrust.org

"The majority of young people we work with at Media Trust come from BAME and other currently under-represented ethnic groups in the ad sector. We've heard first hand how hard it is for them to get information about potential career pathways and to access work experience and internships, particularly paid opportunities.

We also know how invaluable it is for them to have a mentor from the sector helping them with job applications and interview practice and encouraging and supporting them when they don't have family role models or people in their community that they can turn to for advice."