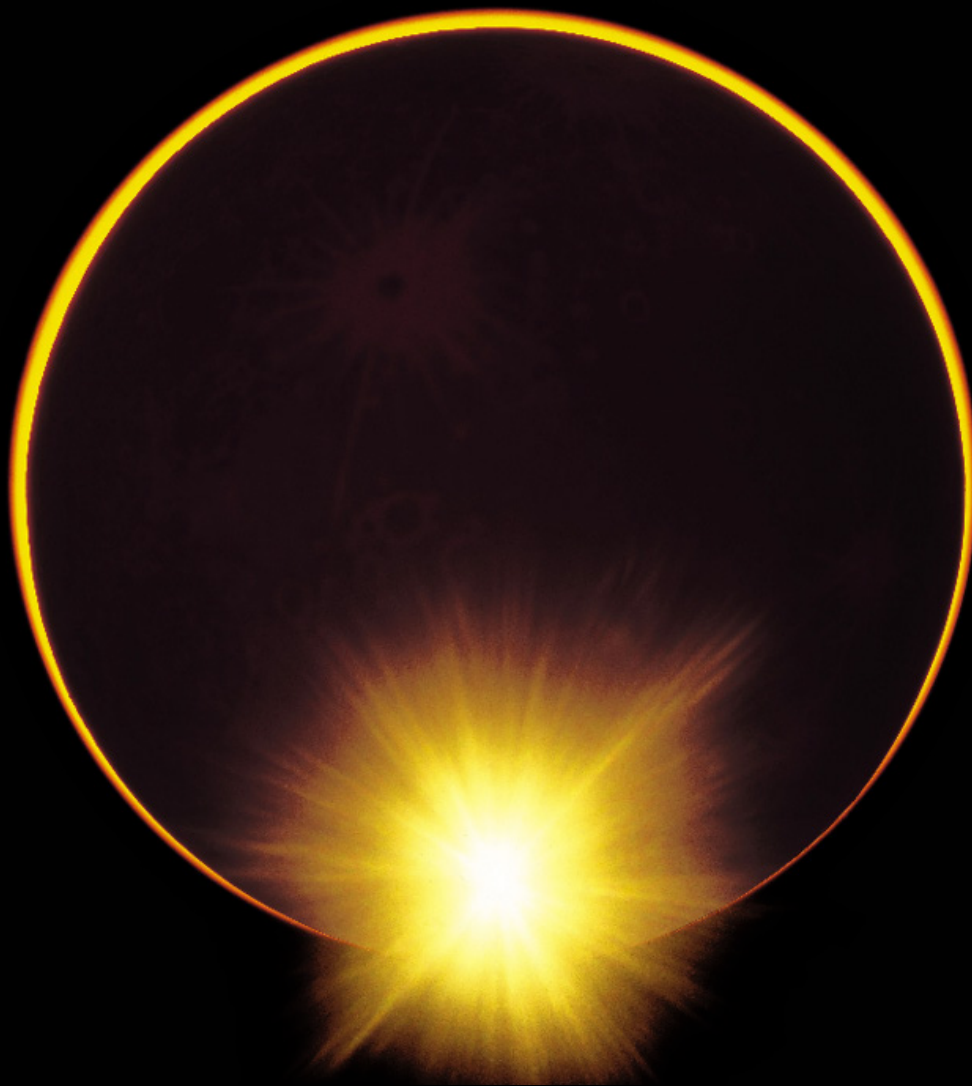


Deloitte.
Access Economics



The future of work
Occupational and education
trends in marketing in Australia

Prepared by Deloitte Access Economics, January 2018

269,000



Size of Australia's marketing workforce in 2016-17

Increasing integration



of marketing with other business functions is contributing to an increasing demand for marketing skills

Marketing snapshot

2.2%



Forecast annual growth in marketing workers between 2016-17 and 2021-22 (compared to 1.5% p.a. for overall Australian workforce)

\$150,431



Forecast income of marketing workers with postgraduate qualification* in 2021-22

* Postgraduate qualification in Management and Commerce field of education.

The rise of data, digital and other technology trends have changed the role of marketing within organisations, and lifelong learning is increasingly necessary in the marketing field.



40% of marketing executives reported that they require skills in technology and digital engagement.

- The Economist, 2015

Marketing is increasingly seen as part of the broader business calculus rather than a stand alone area, with greater integration between marketing and other parts of a business such as product design and data analytics. These trends have affected the skill needs of employees working in marketing occupations, with collaboration and digital literacy becoming increasingly important and valuable skills.

In this context, Deloitte Access Economics has been commissioned to examine how occupational and education trends are developing across the marketing workforce in Australia. This report seeks

to provide forward looking insights on how the nature of work and study in marketing are evolving as a result of ongoing changes to the economic, business and labour market landscape.

The research presented in this report has been developed through a mix of analysis of publicly available data and information sources, targeted consultations with academics and university program directors, and employment forecasting using Deloitte Access Economics' macroeconomic modelling framework.

How are broader trends specifically affecting the marketing area?

Integration across business functions

The inexorable move towards increasing the availability of product offerings and consumer engagement through online channels has increased the connection between IT and marketing in companies across all industries. This continued rise of digital offerings enables greater integration between marketing and other business areas, with online marketing requiring an understanding of relevant product and customer strategy, avenues for consumer engagement, and new and evolving digital technology platforms. In this context, the separation between 'traditional' and 'digital' marketers is becoming increasingly outdated, with "digital marketing becoming an essential part of the majority of marketing roles – no longer a job in and of itself" (McKinley Marketing Partners, 2016).

Data and analytics

In addition, the wealth of data that can be gained from online consumer behaviour has significant implications for marketing occupations, and the data-driven marketing economy has recently been valued at \$202 billion in the US alone (Data & Marketing Association, 2016).

Analysing data to maximise the effectiveness of marketing campaigns means that marketing has taken on an increasingly quantitative and digital aspect. Artificial Intelligence (AI) has also made strides in this respect, such as by improving product recommendations to customers (e.g. suggested content on streaming services or related properties on real estate websites) and predictive lead scoring, or the likelihood that a webpage visit will convert to a customer.

Data analytics is also important in monitoring the effectiveness of digital marketing campaigns. The ability to work with data can therefore be expected to be an increasingly important aspect of the marketing task. **In an Economist Intelligence Unit survey of nearly 500 marketing executives, 40% reported that they require skills in technology and digital engagement, compared to only 16% who are after traditional skills in creative and graphics and 26% who identify skills needs in advertising and branding** (The Economist, 2015).

Box A: The broad range of marketing job opportunities

The role of marketing is evolving across all industries. This brings challenges associated with changing skills needs, but it also brings opportunity. As part of our research, Deloitte Access Economics spoke with Associate Professor Con Stavros from RMIT University in regards to the career prospects of individuals studying a postgraduate qualification in the marketing area.

Con indicated that **the marketing qualification is quite broad in terms of future job opportunities; ranging from branding, market research, communications, public relations, services quality, product innovation and social media design.** In this context, marketing should be viewed as a profession with relevance across all industries. Furthermore, many individuals with marketing qualifications find employment in business-to-business (B2B) marketing roles, rather than in business-to-consumer (B2C) roles which can be perceived to be more prevalent across the marketing profession.

While marketing occupations are experiencing change due to the rise of digital marketing and data analytics, Con views these technological developments as new outlets and options for companies to perform the tasks that have underpinned the role of the marketer, such as connecting with customers and targeting products to relevant markets. As such, **although digital skills are becoming increasingly important in marketing occupations, the core mix of technical and creative skills underpinning marketing roles are still critical for success in the job market.** This creative aspect of marketing in particular is seen as a factor which is required to ensure that a product or brand is successful in the market, and the human element associated with this creative flair can be difficult to be substituted with technology.



“Over the last five years, there has been this tremendous push to bring marketing and operations together... working hand-in-hand on almost everything and loyalty, customer experience and data are at the centre of that.”

To ensure that the value and competitive advantage gained from the wealth of customer data that is becoming available can be maximised, organisations need to “collect, share, store, transmit and ‘use’ this insight” to shape marketing practice (Jaworski, Malcolm, & Morgan, 2016).

Peggy Fang Roe, Marriott International's chief sales and marketing officer for Asia Pacific, has recently stated that “over the last five years, there has been this tremendous push to bring marketing and operations together... working hand-in-hand on almost everything and loyalty, customer experience and data are at the centre of that” (Cameron, 2017). Marketers therefore have a role in the broader process of effectively harnessing and actioning the insights provided by big data and analytics. As a result, a broad range of job opportunities are available to workers in the marketing area, as outlined in Box A.

Disruption in professional services

Technological developments have also been recognised as having significant implications across the global professional services market, and are contributing to a shift towards the provision of full service offerings, or a ‘one stop shop for clients’. In *Marketing's* July 2012 issue, a feature titled ‘Digital Darwinism’ discussed how companies are increasingly competing with a wider range of firms, how ‘big data’ is growing in importance, and how the power of

digital is increasingly being recognised in boardrooms. It was predicted that professional services companies would see a more active role in the end-to-end development of client campaigns, with marketing teams working more closely with technology departments as business operations evolved.

These trends are currently playing out in the marketing space, with **a number of large professional services providers having recently acquired creative advertising agencies to be integrated with their broader product offerings** in order to offer a full client service.

These include, for example, Accenture's acquisition of one of Australia's largest creative advertising agencies, ‘The Monkeys’, and design business, ‘Maud’, in May 2017; PwC's acquisition of a majority stake in Thinkerbell in August 2017; and Deloitte's recent onboarding of three leaders in creative advertising from the McCann Melbourne agency to lead its Brand Creative and Media team.

For marketing graduates, this opens new job opportunities in larger professional services firms, as marketers increasingly become part of a broader suite of services aimed at businesses partnering with clients. In such a business environment, collaboration skills such as communication and teamwork will also be critical enablers of success alongside technical marketing expertise.



Which marketing occupations are relevant for our analysis?

In order to provide a snapshot of the workforce growth potential associated with the marketing area, Deloitte Access Economics has identified a series of occupations that could represent job opportunities for workers with skills and qualifications in the marketing field.¹ Since our research aims to evaluate further study in the marketing area, the specified occupations are targeted towards roles that would be suitable for employees who have completed postgraduate study, rather than entry-level roles with lower skills and qualification requirements.

The following occupations have been identified using the Australian and New Zealand Standard Classification of Occupations (ANZSCO) as representing potential employment opportunities in the marketing area:

- Advertising and Sales Managers
- Advertising and Marketing Professionals²
- Information and Communication Technology (ICT) Sales Professionals
- Public Relations Professionals
- Technical Sales Representatives.

The analysis that follows on future workforce growth and the benefits of further study in the marketing area are based on this list of occupations. We note that while these occupations have been identified on the basis of being relevant to job opportunities for individuals with marketing skills and qualifications, not every worker employed in these occupations will necessarily have a specific marketing qualification. This list of occupations therefore outlines the broad pool of potential employment opportunities in the marketing area across different parts of the workforce, rather than a one-to-one representation of the jobs that employ marketing graduates.

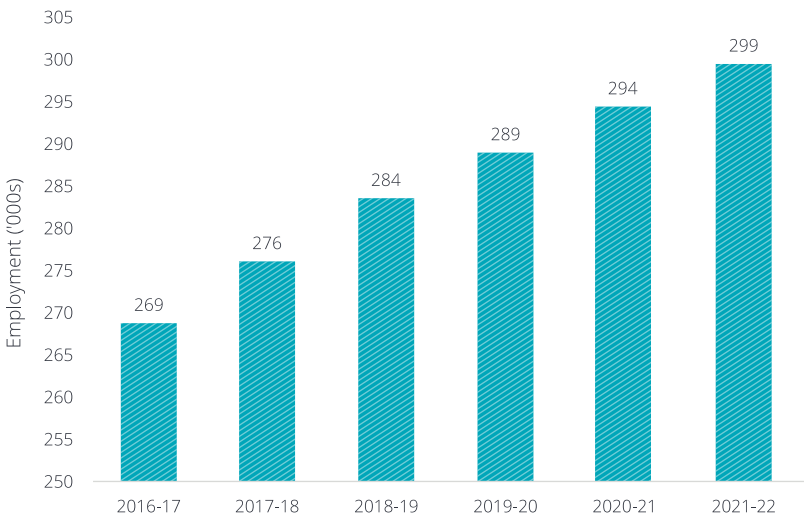
1. The occupations have been identified at the 4-digit level based on the Australian Bureau of Statistics' detailed occupation descriptions in the *Australian New Zealand Standard Classification of Occupations: First Edition* (Australian Bureau of Statistics, 2006), as well as consultation with university academics and subject matter experts, and research published by relevant industry associations and other publicly available materials.

2. According to the ANZSCO definitions, Advertising and Sales Managers direct and control advertising, sales, public relations and marketing activities, while Advertising and Marketing Professionals develop advertising strategies and campaigns and determine market opportunities for new and existing goods and services.

What is the future growth potential of the marketing workforce?

The Australian marketing workforce is forecast to see sound growth in the next five years. Aggregating the marketing occupations identified above, Deloitte Access Economics projects the relevant workforce will grow from 269,000 persons in 2016-17 to 299,000 persons in 2021-22, an increase of around 30,000 workers at an annual average growth rate of 2.2% (Chart 1).³

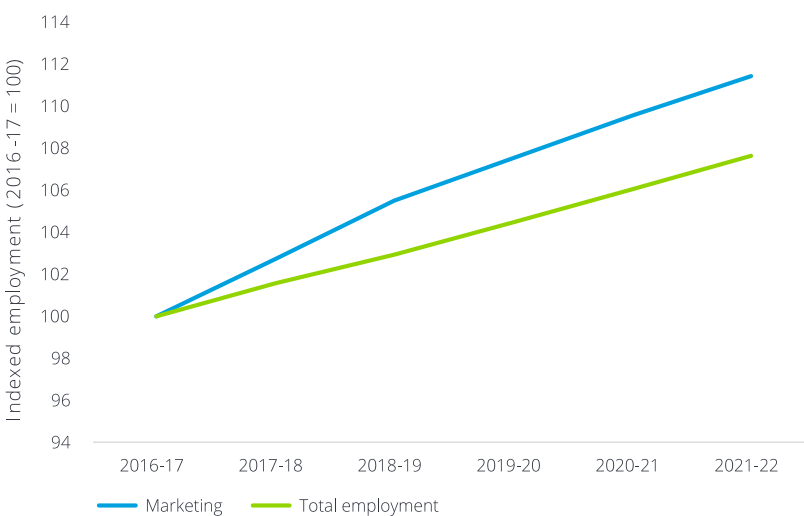
Chart 1: Marketing employment forecasts, 2016-17 to 2021-22



Source: Deloitte Access Economics (2017)

The marketing workforce is expected to see stronger growth than the Australian labour force as a whole, where employment is forecast to grow at an average of 1.5% per annum over the next five years (Chart 2).

Chart 2: Marketing employment and total employment, 2016-17 to 2021-22



Source: Deloitte Access Economics (2017)

3. The marketing workforce forecasts for this report have been produced using the Deloitte Access Economics' Macro (DAEM) modelling framework, a macroeconomic model of the Australian economy. For the purposes of this research, employment projections at the 4-digit ANZSCO level have been smoothed using a three-year moving average, in order to provide workforce forecasts that are more reflective of trend jobs growth.



Table 1 provides a breakdown of Deloitte Access Economics' employment forecasts for the marketing workforce by the component occupations. Demand for advertising and sales managers is expected to grow by almost 13,000 people over the next five years, at an annual growth rate of 1.7%. The forecast growth rate is strongest for advertising

and marketing professionals, where average annual growth is forecast to be a robust 3.2%. The overall positive outlook for labour market demand in these marketing occupations is expected to be supported by the growing role of digital marketing and the increasing integration of marketing with other business functions and services.

Demand for advertising and sales managers is expected to grow by almost 13,000 people over the next five years.

Table 1: Marketing employment forecasts by occupation, 2016-17 to 2021-22

Occupation	2016-17 (000s)	2021-22 (000s)	Change in employment (000s)	Average annual growth rate (%)
Advertising and Sales Managers	141.2	154.0	12.8	1.7%
Advertising and Marketing Professionals	62.3	73.0	10.7	3.2%
Public Relations Professionals	21.9	24.7	2.8	2.4%
ICT Sales Professionals	14.0	15.5	1.5	2.0%
Technical Sales Representatives	29.4	32.4	2.9	1.9%
Total Marketing	268.8	299.5	30.7	2.2%

Source: Deloitte Access Economics (2017)



Businesses expect workers to bring multi-dimensional skills to a marketing-related role, such as in relation to communication, critical thinking and teamwork, as well as in analytics, automation and integrating marketing and technology platforms.

How can further study benefit workers in marketing occupations?

Increased earning potential

Conventional economic theory suggests that workers who undertake further study are able to realise higher wages in the labour market. From a human capital perspective, education is an important determinant of the overall productivity of labour, which is then reflected in the wages paid to individual workers. **The knowledge and skills derived from education represents an increase in human or intellectual capital, leading to more productive workers who are financially rewarded for their increased efficiency.** Furthermore, signalling theory suggests that further study can be a means for individuals to 'signal' their capability to employers, as more capable individuals may be more successful in completing their education.

Recent Deloitte Access Economics research has estimated the impact of a postgraduate qualification on wages, controlling for other factors which may also contribute to earnings differentials at the individual level (such as demographics and experience). While this study did not specifically examine the wages earned by marketing workers, it found that a significant wage premium is attained by workers who have completed postgraduate study in the broader Management and Commerce field of education.⁴ Across all workers who studied Management and Commerce at the postgraduate level, an undiscounted lifetime wage premium of 48% relative to workers with no post-school qualifications was found to be directly attributable to having completed the postgraduate qualification (Deloitte Access Economics, 2016).

Looking specifically at the occupations previously identified in the marketing workforce, data from the latest Census suggests that the average annual income earned by postgraduate-qualified workers who studied Management and Commerce in these occupations was \$129,004 in 2016-17. In raw terms – without accounting for other factors such as demographics and experience – this was 33% higher than the average 2016-17 income of workers employed in marketing occupations who have no post-school qualifications. **The average annual income of marketing workers with a postgraduate qualification in Management and Commerce is forecast to increase over the next five years, rising to \$150,431 in 2021-22.**⁵

Further to the increased earning potential, additional study in the marketing area can enable workers to hone the skills needed to be highly sought after as a marketer, as well as opening up a new and diverse range of career pathways.

Broadening career pathways

Our research finds that as potential employers or as future clients, businesses expect workers to bring multi-dimensional skills to a marketing-related role, such as in relation to communication, critical thinking and teamwork, as well as in analytics, automation and integrating marketing and technology platforms. Successful professionals in the marketing area need to demonstrate both technical expertise in order to conduct evidence-based marketing analysis, and creative thinking in order to differentiate a product or brand from competitors. Further study can assist in building these core competencies, enabling employees to upskill and take on more senior roles or to transition into the marketing area from careers in other fields, as discussed in Box B.

4. Management and Commerce has been identified as the most relevant field of education for marketing qualifications. The Management and Commerce field of education is represented at the 2-digit level in the Australian Standard Classification of Education (ASCED).

5. Future income has been estimated using annual Wage Price Index growth forecasts from the September 2017 *Business Outlook* (Deloitte Access Economics, 2017).



Box B: Marketing qualifications and career applications

Our consultation with Associate Professor Con Stavros from RMIT University suggests that studying a **postgraduate qualification in the marketing area can have a range of applications across a diverse range of individual career stages.**

For example, further study in marketing can accelerate career progression for professionals with a few years of experience working in a marketing role. The industry applications of marketing extend beyond the basic communications, consumer behaviour and research components that are generally taught at the undergraduate level, into areas such as product design, customer tracking, digital marketing and brand experience across the value chain from materials, to support services, to final production. Further study can enable workers to develop the skills that allow them to take on expanded marketing roles across these functions.

Furthermore, Con suggests that **professionals in other fields may undertake postgraduate education as a means to transition their careers towards the marketing field.** Individuals with work experience or undergraduate qualifications in other areas such as architecture, engineering and nursing can find that the multidisciplinary skills that are attained through further study in marketing can assist them in pivoting towards a marketing or sales-related role within their chosen industry. Demand from industries across the economy for market research and advice (in both B2B and B2C contexts) means that workers with a combined skillset of marketing expertise and specialist industry knowledge are being increasingly valued across the workforce.

“Workers with a combined skillset of marketing expertise and specialist industry knowledge are being increasingly valued across the workforce.”

– Associate Professor Con Stavros,
RMIT University

What are the key takeaways for current and future marketing workers?

- The increasing integration of marketing with other business functions and growth in digital marketing is contributing to an increase in demand for marketing skills.
- This is expected to drive future growth in the marketing workforce, increasing from 269,000 persons in 2016-17 to 299,000 persons in 2021-22. The average annual growth rate of 2.2% is stronger than the 1.5% per annum growth forecast for the entire Australian labour force.
- The average annual income of marketing workers with a postgraduate qualification in Management and Commerce was \$129,004 in 2016-17, and this is forecast to rise to \$150,431 in 2021-22.
- Further study in the marketing area can also provide workers with greater career opportunities through the development of more advanced and specialised skills, and allow professionals in other occupations to transition towards marketing by developing a multidisciplinary skillset.

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