

# MARKETER'S CONFIDENCE INDEX

---



## Executive Summary

---

The Marketing Confidence Index survey measures the degree of optimism on the state of the economy that U.S. marketers are expressing through their organizational spending and growth. Survey represents 1,028 marketing professionals.

---

### **1 Across all metrics, marketers continue to hold a positive outlook on their industry**

Respondents expect that their businesses will grow in revenue in the next few years, and that the marketing function will grow in influence and power within their organizations

---

### **2 Despite high confidence in basic digital marketing capabilities, there is uncertainty surrounding sufficient training and understanding of the function by senior management**

Marketers agree that their brands will be able to preserve consistency upon expanding their efforts digitally; however, many are not as confident that management is providing sufficient resources to understand the value of digital tools

---

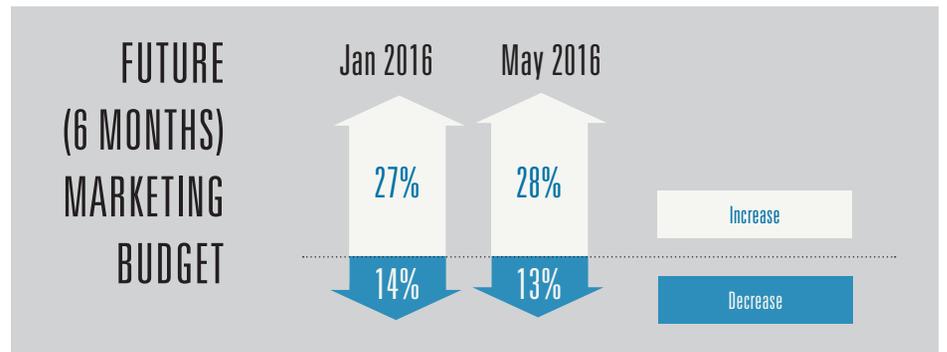
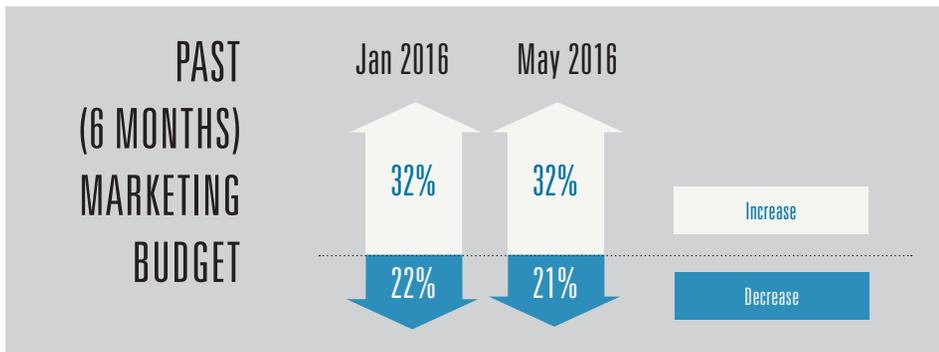
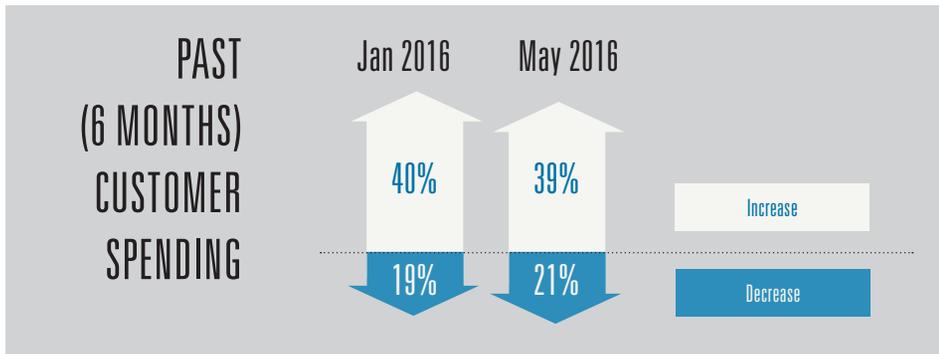
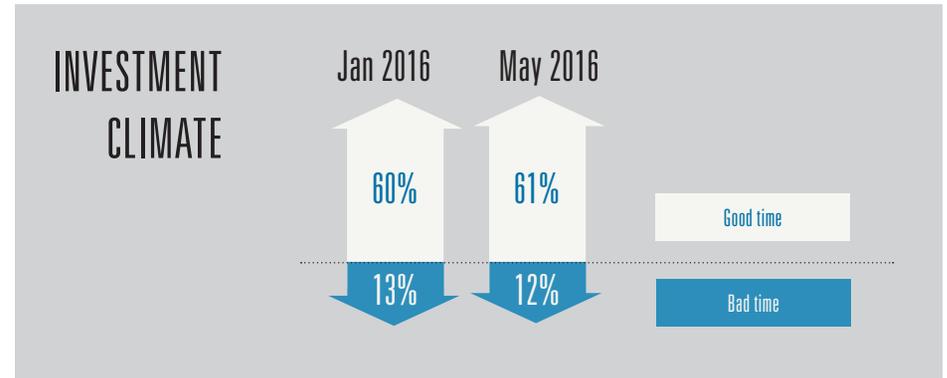
### **3 Technology and its possibilities remain a bright spot for marketers, as the industry looks to better quantify return on investment of marketing initiatives**

Virtual reality, the Internet of Things, social media, and live-event marketing offer new opportunities to increase consumer interaction and drive continued loyalty



**DETAILED  
RESULTS**

Marketers continue to hold a very positive outlook on their industries and where their businesses are headed, with most feeling that now is the right time to invest

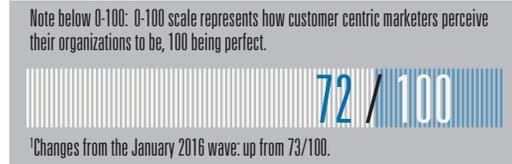


# Marketers remain optimistic about their organizations' expected performance and positive about their business' customer centricity

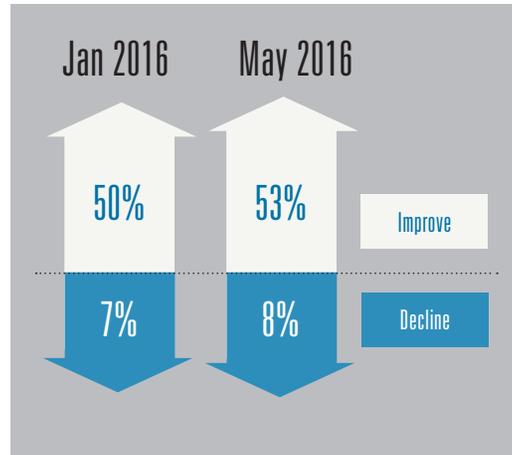
## EXPECTED PERFORMANCE IN TERMS OF REVENUE GROWTH



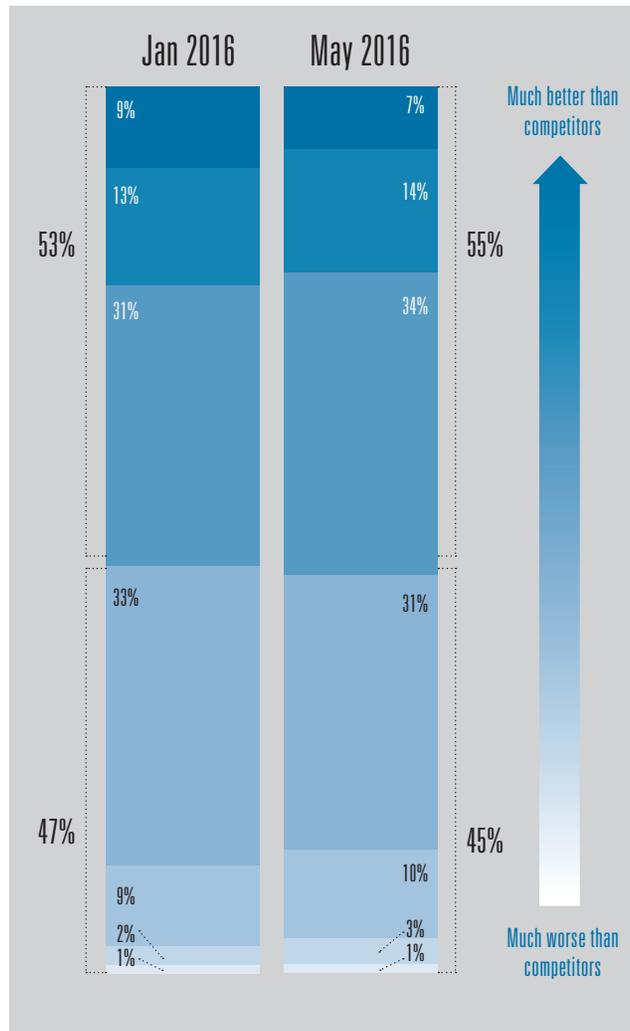
## ASSESSMENT OF ORGANIZATION'S CUSTOMER CENTRICITY<sup>1</sup>



## EXPECTED PERFORMANCE OF REVENUE GROWTH



## CURRENT PERFORMANCE IN TERMS OF REVENUE GROWTH

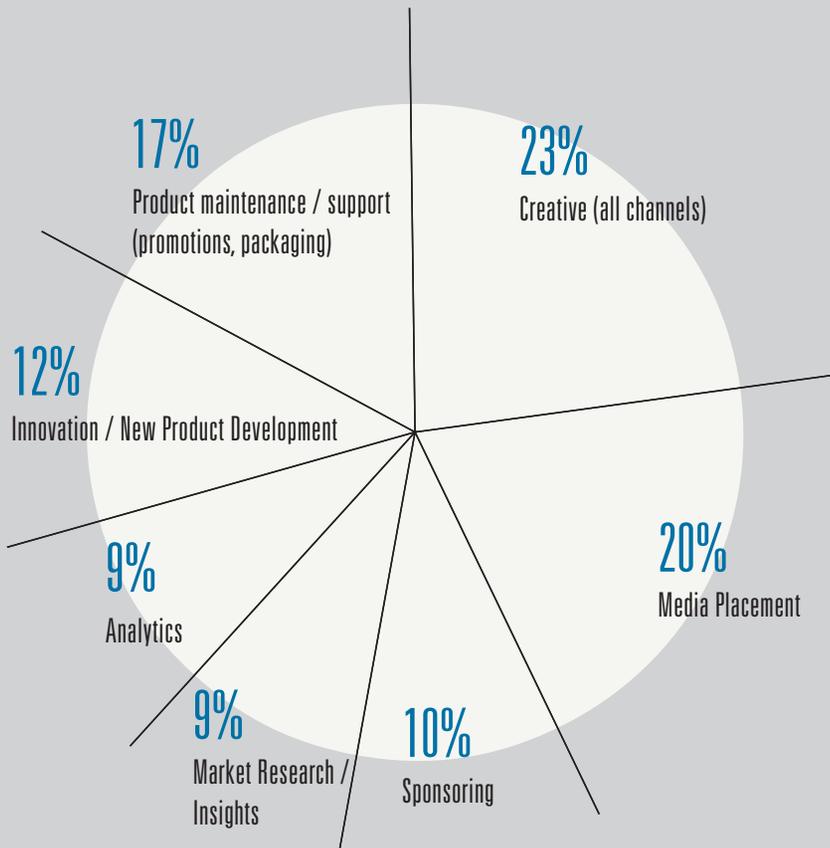


## ASSESSMENT OF ORGANIZATION'S CUSTOMER CENTRICITY



An marketing budget increase would most likely go to media placement, new product development, and market research / analytics

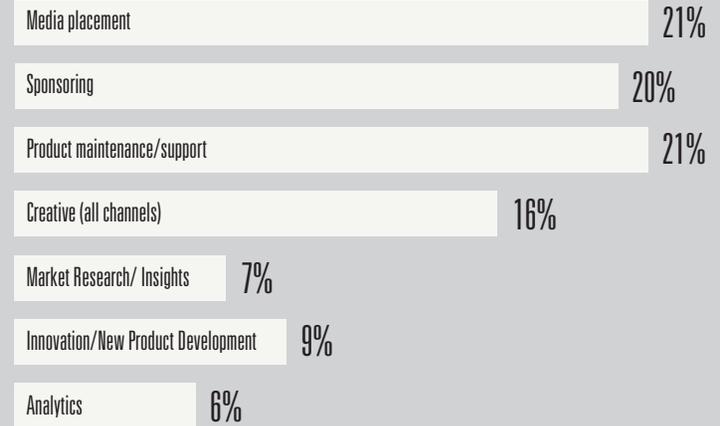
CURRENT MARKETING BUDGET DISTRIBUTION<sup>1</sup>



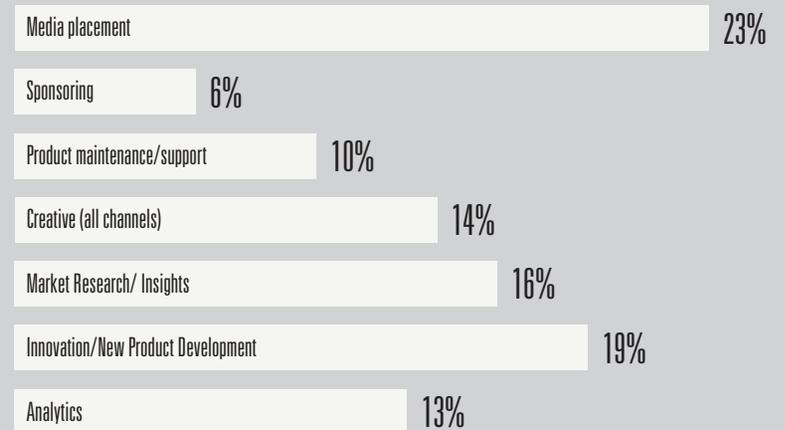
<sup>1</sup>Changes from the January 2016 wave: Product Maintenance — 18%, Creative — 22%. All other percentages held constant.

CHANGES TO MARKETING BUDGETS

REDUCTION OF MARKETING BUDGET WOULD BE MADE IN:



INCREASE OF MARKETING BUDGET WOULD GO TO:



Marketers expect their organizational power and influence to grow, driven largely by the possibilities presented by new digital tools

### MARKETING'S INFLUENCE IN THE ORGANIZATION

+60%

-6%

WILL THE POWER AND INFLUENCE OF THE MARKETING FUNCTION INCREASE OR DECREASE OVER THE NEXT FEW YEARS?

Jan 2016

May 2016

64%

60%

7%

6%

Increase

Decrease

### MOST EXCITING DEVELOPMENTS

Using data to prove impact on company's bottom line

Digitally -centered performance marketing

Marketing using the Internet of Things (e.g., wearable computing) as well as marketing to people who use virtual reality technologies

Combination of live events and online marketing - a complete interactive program

Digital, microtargeting

Cultural diversity, analytics, new technologies (e.g., telepresence, VR, cloud services)

### BIGGEST THREATS TO THE MARKETING FUNCTION

Being too tactical, not being visionary enough

Lots of big data and analytics but little meaning

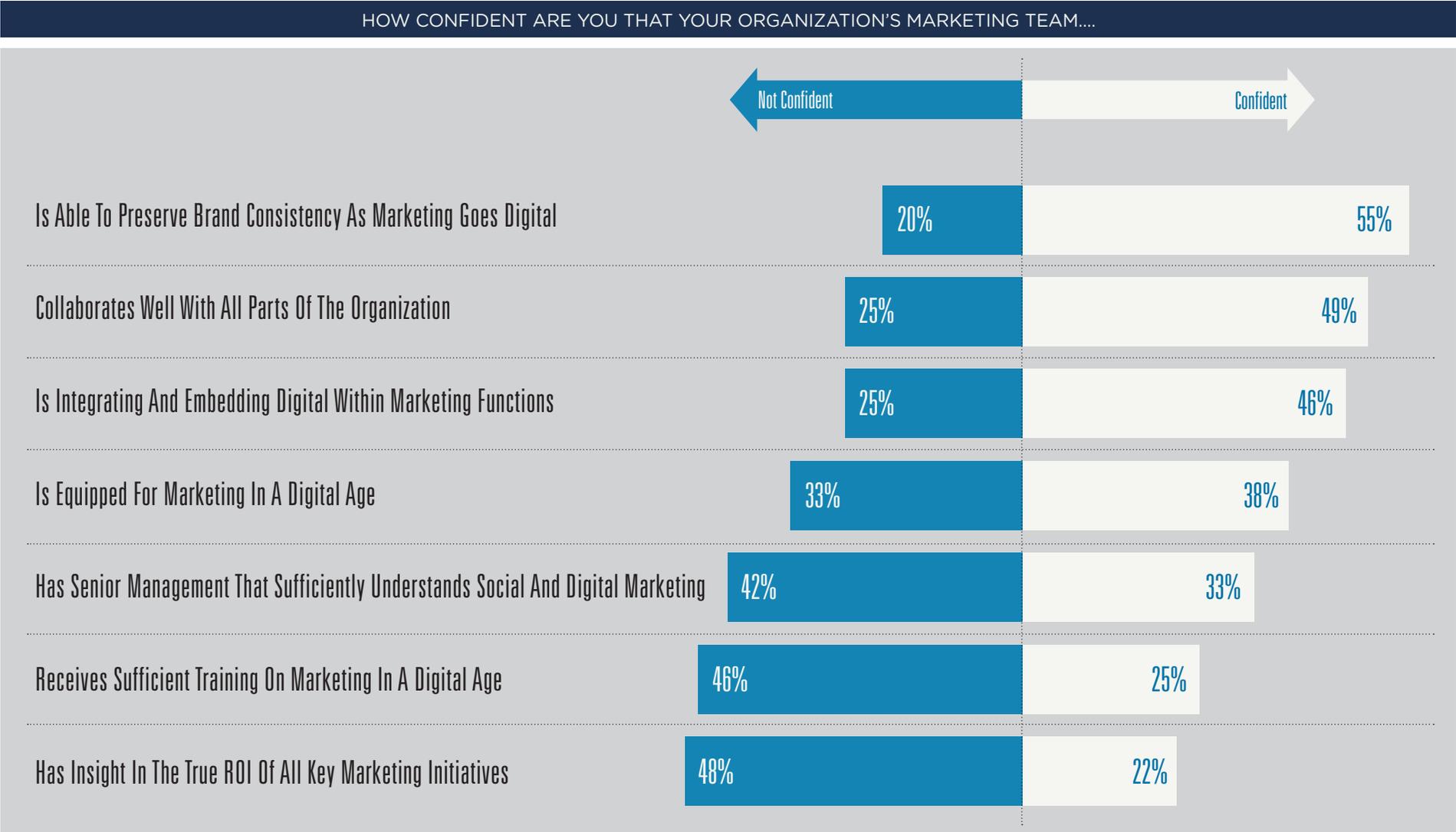
Inability to demonstrate a clear ROI

Addiction to digital marketing without considering what offline marketing can offer

Becoming a sub- function of sales department

Lack of understanding marketing automation and technology

Broadly, marketers are confident about consistency across digital platforms and cross-department collaboration, but are not confident about ability to quantify the ROI of marketing initiatives





# **APPENDIX & METHODOLOGY**

## Study setup and respondents

---

### WHAT

- Short online survey
- Invites were sent to AMA newsletter subscribers and followers

### WHEN

- Fieldwork was conducted from May 9th - 23rd

### WHO

#### 1,028 Marketing Professionals

##### Level

- C-Level/Board 10%
- EVP/SVP 5%
- VP/Director 27%
- Manager 33%
- Other 25%

##### Organization size

- 1-100 30%
- 100-500 19%
- 501-1000 11%
- 1001-5000 15%
- 5001-10000 7%
- More than-10000 19%

##### B2B-B2C

- All Consumers 17%
- Mostly Consumers-Some Business 25%
- About equally Consumers and Business 16%
- All Business 23%
- Mostly Business-Some Consumers 19%

# Marketer's Confidence Index questions and calculation

The Index is constructed of:

- **2 questions asking about the past:**

## PAST 6 MONTH CUSTOMER SPENDING

**Do you think that overall customer spending in your industry in the past six months has increased, decreased or stayed the same?**

- Increased
- Decreased
- Stayed the same

- **3 questions asking about the Future**

## FUTURE 6 MONTH CUSTOMER SPENDING

**What about the next six months? Will overall customer spending in your industry increase, decrease or stay the same?**

- Increase
- Decrease
- Stay the same

## PAST 6 MONTH MARKETING BUDGET

**In the past six months has your organization's marketing budget increased, decreased or stayed the same?**

- Increased
- Decreased
- Stayed the same

## FUTURE 6 MONTH MARKETING BUDGET

**What about the next six months? Will your organization's marketing budget increase, decrease or stay the same?**

- Increase
- Decrease
- Stay the same

## CALCULATION

- For every question we determine the NET of the positive minus the negative responses (so the % Increased minus the % decreased).
- These nets are then weighted as follows and turned into an index number
- Questions about the past: 40% (weights: both 20%)
- Questions about the future: 60% (weights: 22.5% / 15% / 22.5% respectively)

## INVESTMENT CLIMATE

**If you think about your organization doing large investments in new projects on top of your usual investment, such as investing in product innovation, do you think now is a good or a bad time to make those investments?**

- A good time
- A bad time
- Neither a good nor a bad time

## Other questions in the survey (1/2)

---

### CURRENT PERFORMANCE IN TERMS OF REVENUE GROWTH (SLIDE 5)

**Could you please rate your own organization's current performance versus your competitors in terms of Revenue growth?**

1 Much worse than competitors

...

7 Much better than competitors

### CURRENT MARKETING BUDGET DISTRIBUTION (SLIDE 6)

**Could you give us a sense of how your organization's marketing budget is currently assigned between...** Slider scale where a respondent allocates 100 points across all items

### EXPECTED PERFORMANCE IN TERMS OF REVENUE GROWTH (SLIDE 5)

**What about the next six months? Will your organization's performance in terms of Revenue growth improve, decline or stay the same?**

Improve

Decline

Stay the same

### CHANGES TO MARKETING BUDGETS - REDUCTION (SLIDE 6)

**If you suddenly had to reduce your organization's marketing budget by 10%, where would you make the reduction?**

Slider scale where a respondent allocates 10 points across all items with budget

### ASSESSMENT OF ORGANIZATION'S CUSTOMER CENTRICITY (SLIDE 5)

**On a scale of 0-100, with a rating of 100 being a perfect score, how customer centric would you say your organization is right now?**

By "Customer Centricity" we mean the degree to which your organization puts the customer at the heart of everything you do.

0 - 100 slider scale

### ASSESSMENT OF ORGANIZATION'S CUSTOMER CENTRICITY (SLIDE 6)

**If your organization's marketing budget was suddenly increased by 10%, where would you allocate the additional budget?**

Slider scale where a respondent allocates 10 points across all items

## Other questions in the survey (2/2)

---

### MARKETING'S INFLUENCE IN THE ORGANIZATION (SLIDE 7)

**Thinking about the next few years, do you think the power and influence of the marketing function within your organization will increase, decrease or stay the same?**

Increase Decrease Stay the same

### MOST EXCITING DEVELOPMENTS (SLIDE 7)

**What are the most exciting new developments in the area of marketing that will have a huge impact over the next few years?**

Open ended

### BIGGEST THREAT TO THE MARKETING FUNCTION (SLIDE 7)

**What is the biggest threat for the marketing function today?**

Open ended

### HOW CONFIDENT ARE YOU THAT YOUR ORGANIZATION'S MARKETING TEAM...(SLIDE 8)

**How confident are you that your organization's marketing team...**

1 Not at all confident

..

5 very confident

Don't know

Results shown as top2 and bottom 2 responses

To schedule interviews, request visuals  
or for more information, please contact:



**Lauren Russ**  
**American Marketing Association**  
**773/868-0966**  
**lauren@connectcomsinc.com**