

2014 Marketing Trends

What your business needs to be thinking about



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Welcome to the findings of this year's survey

This year's marketing trends survey highlights some interesting changes in businesses' attitudes to the role marketing plays within the organisation. Since the economic crisis organisations have been focusing on cost-cutting and cash preservation, often through budgetary cuts and restrictions on recruitment.

It now appears that organisations are deciding to invest in marketing; budgets and teams are no longer being cut by the majority of respondents. Over half the businesses responding are looking to increase this year's marketing budget; encouraging news for agencies and suppliers.

Over a quarter of the organisations are also increasing the size of their marketing teams, creating new roles to support the business. The composition however of the marketing team over the next few years will, no doubt, be very different to the pre-recession days. Marketing teams are becoming much more focused around delivering key business priorities rather than attempting to deliver the whole marketing mix.

The priorities for the marketing team are clearly around work winning. The top two priorities for marketing in 2014 are developing client relationships and achieving sales.

This indicates is a shift in what business leaders are expecting from their organisation's Marketing Directors. The less tangible activities around branding and PR receive a very little support, instead there is a stress on generating work.

Organisations may well be feeling more confident about the general economic situation, however there is a realism that consumer spending and corporate buying will not return to pre-recession levels in the immediate short-term. Companies are looking to invest in client relationships to over-come this.

Therefore the emphasis for marketing is to help capture as much of the buyer's wallet as possible. For all those who responded the focus was looking to increase market share in the existing market.

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Organisations are also pushing to launch new products and services to attract additional sales in order to gain a larger percentage of an already squeezed spend.

This new market entry and product/service development means that marketing has an important role to play in successfully delivering these. Although for marketing individuals it may well mean role-enlargement to service these rather than recruitment of marketing people to take sole responsibility.

Looking to the future, the results challenge the current assertions that social media is the panacea. While companies have been quick to invest time and resources on developing an online presence, it does not appear within the top three big ticket items for marketing. In fact only 8% of respondents believed that it would be an influencer.

Over a third of organisations see the information held about and related to customers as the major driver on the marketing strategy. Recognising the value in the big data held on clients

could be converted into a financial worth if companies can gain a true understanding and insight.

A quarter of businesses see the major stimulus for change within marketing coming from customers. Within recent years there have been examples where consumers have used pressure to exert change, whether it is the ability to compare alternatives, the ease of switching and simplicity of transactions has tipped the balance of power to the buyer.

Overall the results were surprising; the theme throughout is one of returning confidence, and with it the emergence of a stronger vision of how marketing can support the business objectives and achieve the sales necessary to delivery of corporate targets.

For marketing professionals it marks the start of a new era.

Anna Hutton-North
The Marketing Centre

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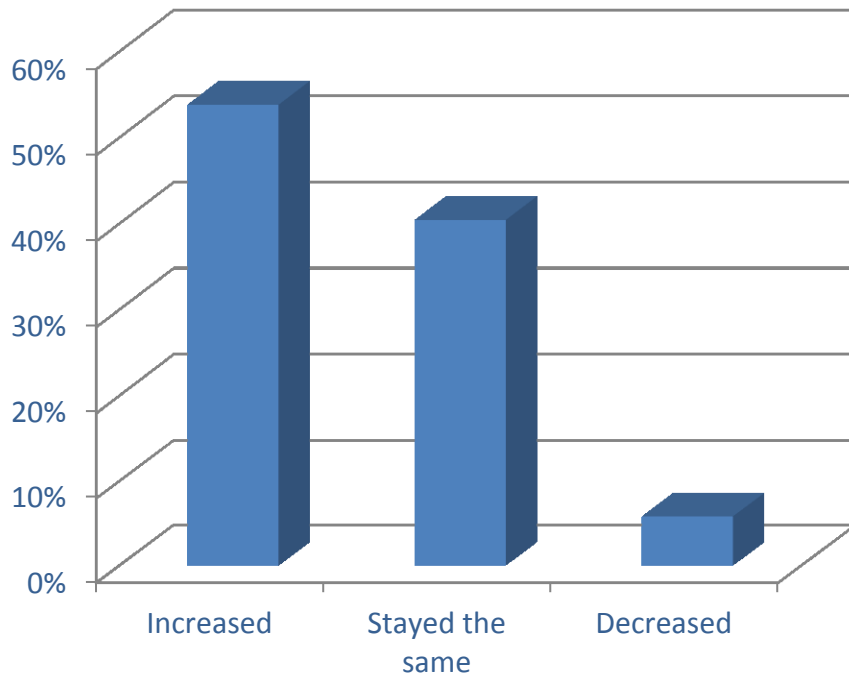
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Results of the Survey

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Q1. Are companies investing in marketing?



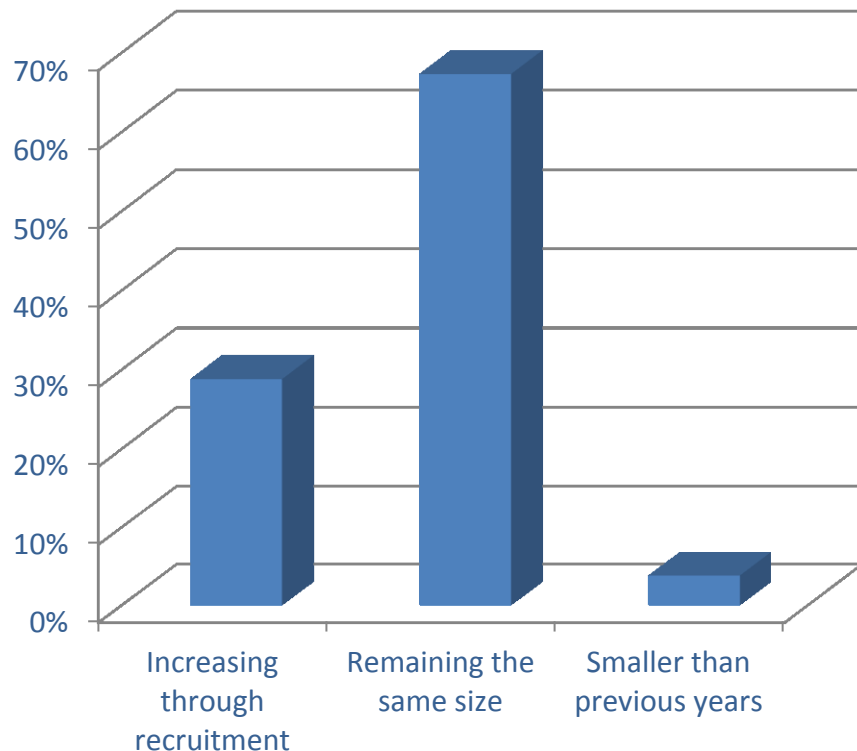
The results clearly show that confidence is returning within business. More than half are increasing their marketing budgets this year, demonstrating that companies are moving from simple cost-cutting towards an investment in generating sales.

A third are retaining the marketing budgets from 2013 although it will be interesting whether this group increase budgets next year as confidence grows.

There is however a small percentage of companies who are still experiencing difficulties and looking to continue to reduce costs and budgets. 6% of the respondents are reducing their marketing budgets this years, which may show that some organisations are continuing to struggle.

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Q2. How is the marketing team being resourced?



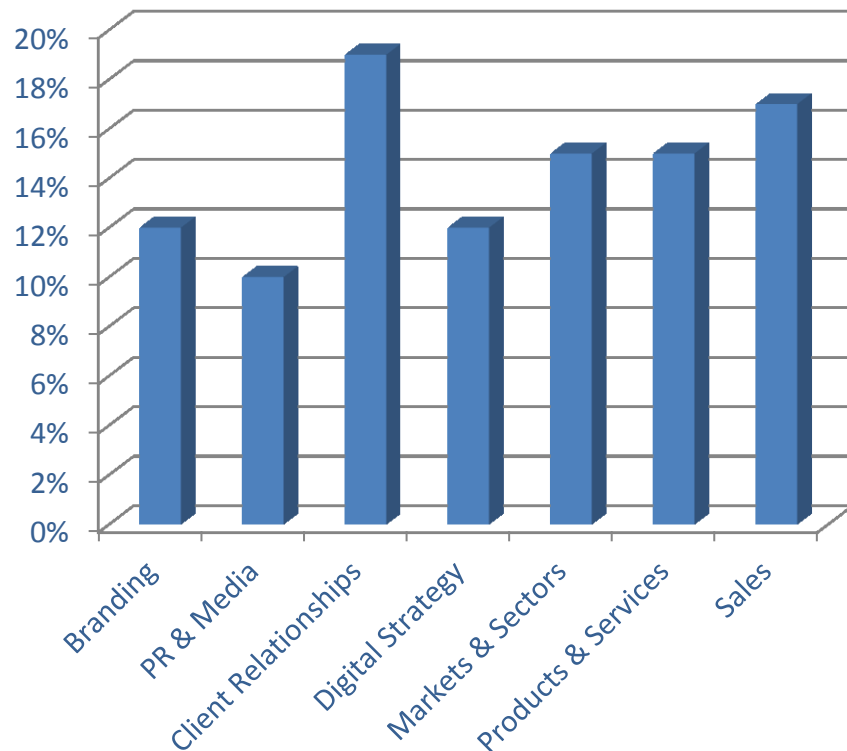
The question regarding the planned size of marketing teams gave a mixed response. Two thirds of companies are retaining their existing marketing team, possibly preferring to spend the marketing budget on generating leads and sales rather than on headcount.

There is some encouragement however for those looking to change roles or seek work. A quarter of the organisations who responded are increasing their marketing teams through the creation of new roles. The remit of these new roles will be interesting; the dominance of technology and increasing personalisation of sales may mean the shape of the teams in the future will differ from those in the pre-economic crisis era.

Against the backdrop of new roles is a small percentage of companies who are having to reduce their marketing teams. It is a similar number of organisations reducing the marketing teams as those reducing marketing budgets, giving a clear message that not all businesses are benefiting from a return of business confidence.

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Q3. What are the priority marketing areas in 2014?



With so much emphasis on the investment into digital marketing and establishing a social media presence it is perhaps a surprise to see that this is not featuring within the top three marketing priorities for 2014.

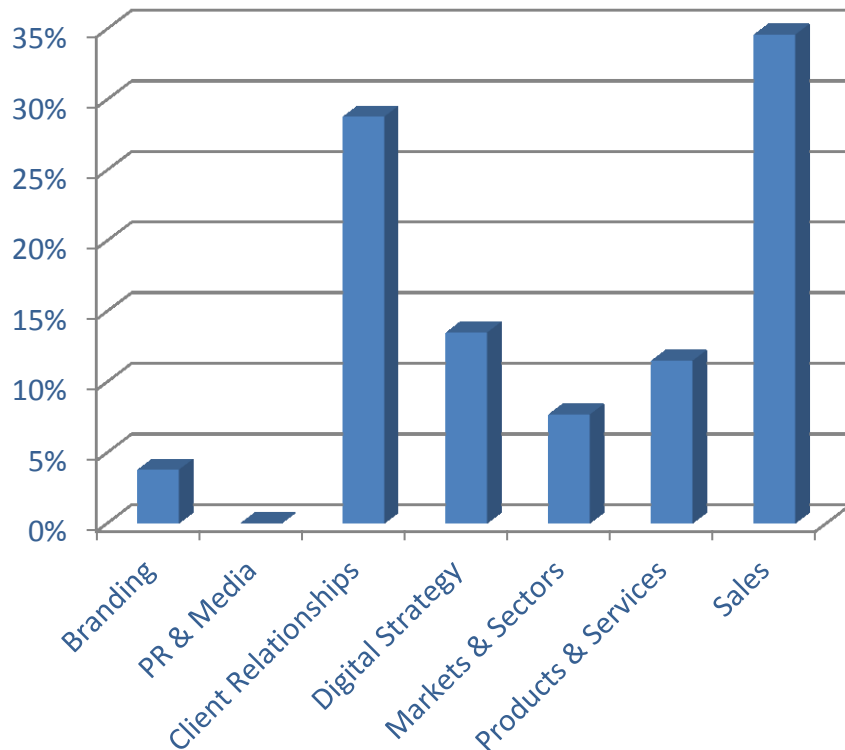
Instead organisations are placing weight on client relationships; a response to the expected growing personalisation of products/services appearing within the market. 19% of the respondents stated this as their priority.

Following a close second was sales. 17% of businesses are making sure that marketing is supporting sales. This will hopefully overcome the divide that often seems to occur between marketing and sales/business development.

In equal third place with 15% each are markets & sectors and products & services. Organisations are looking to increase their market share and expand their range of offerings, identifying new target areas to sell into. Branding, digital strategy and PR& media follow on with 12%, 12% and 10% respectively.

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Q4. Where is business focusing in 2014?



Having seen within Question 3 what the marketing priorities are, there is an interesting divergence when they are compared with what the business believes the marketing priorities are.

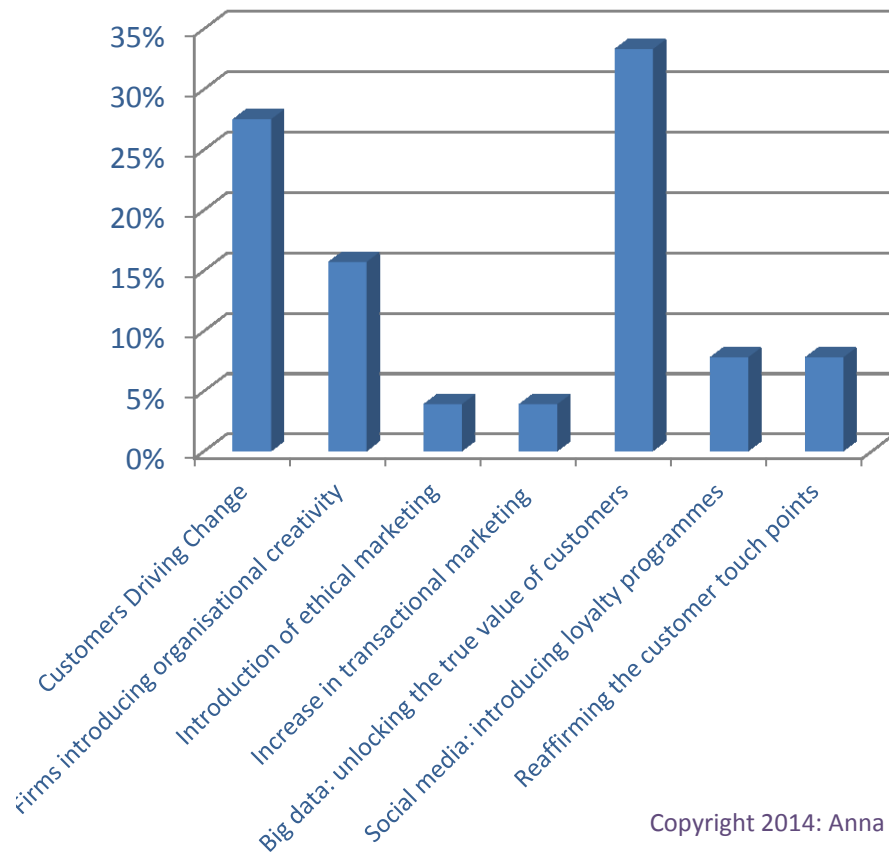
Almost two thirds of the businesses responding felt that marketing should be prioritising on work winning.

Sales dominates at over a third; combined with this are over a quarter of businesses wanting a focus on client relationships (as a route to win or retain work). This supports the often shared belief of non-marketing professionals within a business that marketing should be much more responsible for generating sales.

For those not working directly within marketing it can be difficult to see the value of marketing activities which are not directly achieving sales; only 4% of businesses saw a value in prioritising branding and none of the respondents prioritised PR & media.

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Q5. What is the next big consideration for marketing?



With increasing concentration around digital marketing and social media within the marketing strategy, and the amount of resources invested in ensuring an online presence, it is interesting that this does not feature in the top three big ticket items which business thinks are going to impact future marketing. In fact less than 10% believed social media would be a big consideration.

Over a third of respondents cited big data (ie the information held around customers) as the predominant influencer on a future marketing strategy.

Following second, a quarter of businesses believed that any changes would be driven by customers, presumably through their purchasing power (either combined or individually).

Interestingly 16% believed organisational creativity would be a priority, coming above social media and transactional marketing. Marketing plays a critical part in supporting leadership in generating a culture of innovation throughout the business.

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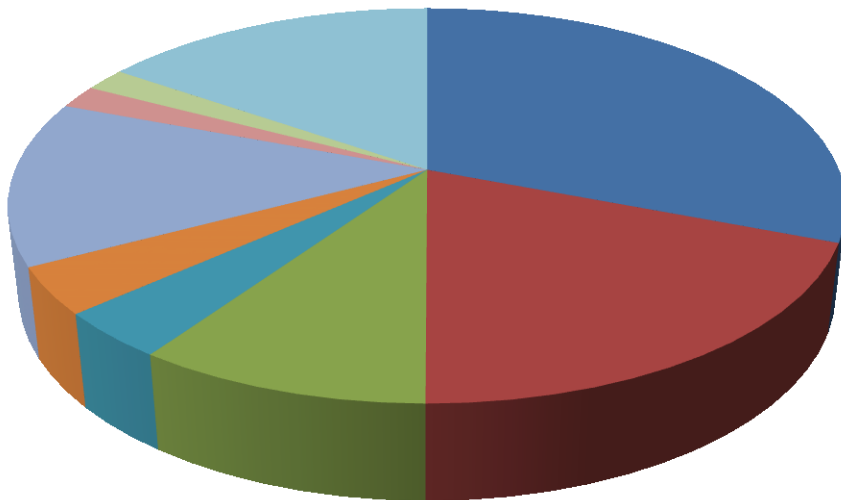


Respondent Information

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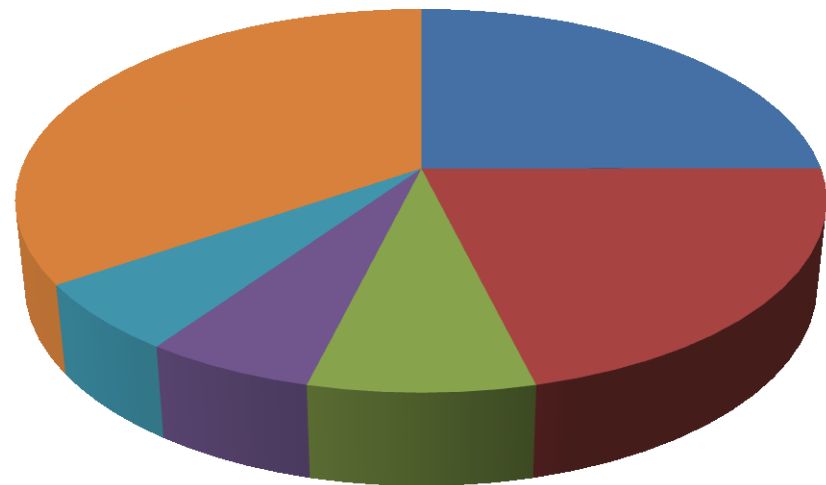
Profile of Respondents

Role



- CEO - 31%
- Marketing Director - 19%
- Marketing Manager - 10%
- Marketing Assistant - 0%
- Business Development Director - 4%
- Business Development Manager - 4%
- Communications and PR - 14%
- Agency - 2%
- Finance Director - 2%
- HR Director - 0%
- Director - 15%

Turnover

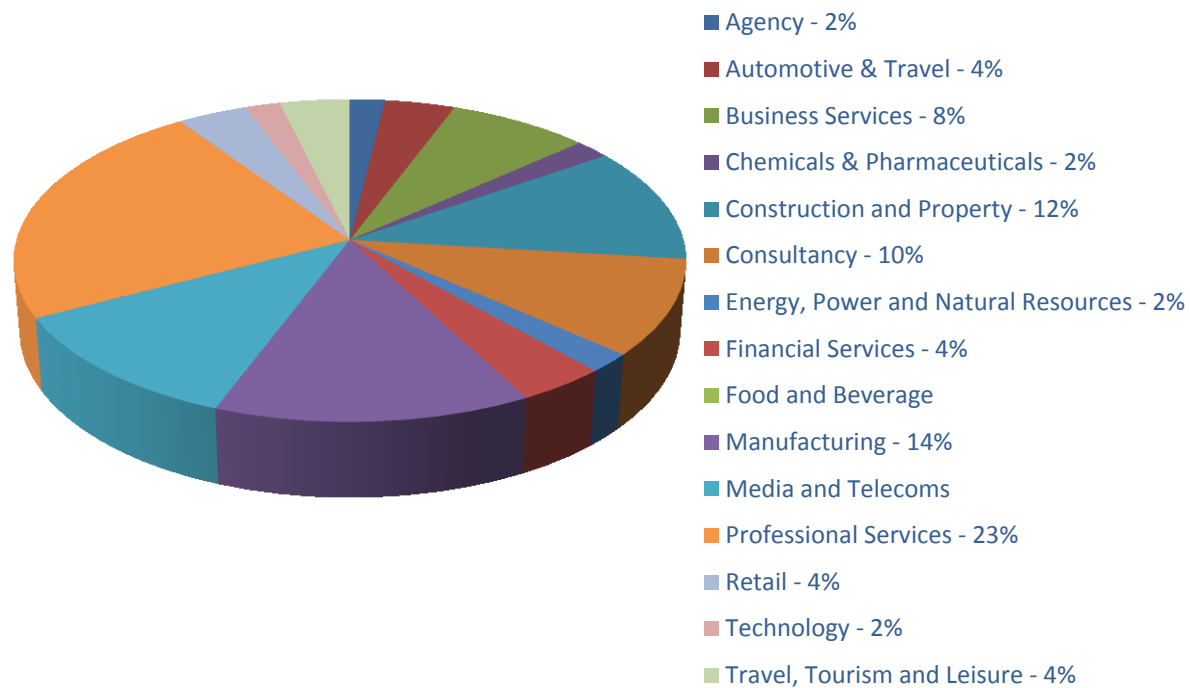


- Under £1m - 25%
- £1m - £5m - 21%
- £5m - £10m - 8%
- £10m - £50m - 6%
- £50m - £100m - 6%
- £100m+ - 35%

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Profile of Respondents cont.

Organisation Type



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Non one should act on such information without appropriate professional advice.

Data has been collected in a standardized form by means of an online questionnaire. The response rate was 1 in 8, with a total of 53 marketing and business professionals completing the questionnaire.

The numbering of percentages can occasionally be off by a tenth of a percentage point due to the amounts being rounded.