**Executive Summary**

**01 Marketer’s outlook on consumer spending has improved considerably since mid 2019**

The Marketer Confidence index is close again to previous heights: 128. Overall marketer’s outlook is much more positive now but this has not translated into expected increases in marketing budgets yet.

**02 Marketers’ optimism about the influence of the marketing function remains stable**

Marketers continue to be excited about the increasing possibilities coming from data and in particular AI.

**03 Over the past year, marketers’ confidence that their teams are doing the right things improved considerably**

Nonetheless there still is a clear opportunity to improve further with the right operating model.
Detailed Results
Over the past six months markets have become significantly more positive on consumer spending; the Marketer’s Confidence Index now stands at 128.
Marketers’ expectations and perceptions about their organizations’ future performance has not changed significantly since mid 2019

- Expected performance in terms of revenue growth
  - Current revenue growth performance
  - Expected performance of revenue growth
  - Assessment of Org’s Customer Centricity

Assessment of Organization’s Customer Centricity

KANTAR

---|---|---|---|---|---|---|---|---
Jan 2016 | 9% | 13% | 9% | 12% | 16% | 17% | 11% | 9%
Jan 2017 | 9% | 12% | 9% | 13% | 14% | 17% | 9% | 8%
Jan 2018 | 9% | 12% | 9% | 13% | 14% | 17% | 9% | 8%
Jan 2019 | 9% | 12% | 9% | 13% | 14% | 17% | 9% | 8%
Jan 2020 | 9% | 12% | 9% | 13% | 14% | 17% | 9% | 8%

Percentage of respondents scoring 7 or above

(7) Much better than competitors

(1) Much worse than competitors

Increased | Decreased
---|---
53% | 8% | 50% | 60% | 60% | 59% | 55% | 56% | 53% | 53%
7% | 8% | 8% | 5% | 7% | 7% | 9% | 7% | 8% | 8%
Marketing budget allocation remains stable; spending on sponsoring remains the first candidate for budget reductions while increases are most likely to go to media placement.

Current Marketing Budget Distribution\(^1\)

- Creative (all channels): 25%
- Sponsoring: 21%
- Media Placement: 14%
- Product maintenance / support (promotions, packaging): 12%
- Analytics: 9%
- Innovation / New Product Development: 8%
- Market Research / Insights: 7%

Changes to Marketing Budgets\(^2\)

**Reduction** of marketing budget would be made in:

- Sponsoring: 23%
- Media placement: 21%
- Creative (all channels): 18%
- Product maintenance/support (promotions, packaging): 12%
- Market Research/Insights: 11%
- Innovation/New Product Development: 10%
- Analytics: 5%

**Increase** of marketing budget would go to:

- Sponsoring: 6%
- Media placement: 23%
- Creative (all channels): 18%
- Product maintenance/support (promotions, packaging): 8%
- Market Research/Insights: 14%
- Innovation/New Product Development: 17%
- Analytics: 13%

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1 Changes from July 2019 wave: no significant changes
2 Changes from July 2019 wave: no significant changes
Marketers remain optimistic about their function’s influence; they are excited about all the new possibilities of data and AI but mostly that’s not what they want the CMO to know more about.

**Marketing’s influence in the organization**

- **65%** increase
- **7%** decrease

**Will the power and influence of the marketing function increase or decrease over the next few years?**

**Most exciting developments**

- **AI**
  - Marketing is taking over both analytics and customer experience
  - The move from mass customization to personalization. This allows for more specific and individualized touch points with consumers

- **Digital and data**
  - Continued integration of technology and data science into creating differentiated and appealing customer experience
  - 5G and big data
  - The increasing ability to micro target consumers

- **Mass customization, market research, analytics platforms to optimize marketing efforts**

**What does the CMO need to know more about?**

- **Digital marketing**
  - The importance of data collection
  - Improve the customer experience
  - Our lack of resources to win in the market

- **The Concept that all customers are individuals, real individuals, and human beings, not computers.**

- **Social media**
  - Importance of knowing the market's preferences and to understand the data behind their choices

- **The importance of spending on research to achieve data driven marketing decision making**

- **The importance of marketing to established customers**

- **Marketing automation**

- **Analytics**

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**KANTAR**

7
Over the past year marketers’ confidence that their team is doing the right things increased but there is a clear opportunity to improve with the right operating model.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Not Confident</th>
<th>Confident</th>
<th>Change vs. Jan 2019:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has A Clear And Well Understood Brand Positioning In Place To Be Competitive</td>
<td>22%</td>
<td>55%</td>
<td>+8%</td>
</tr>
<tr>
<td>Is Investing In The Customers That Matter</td>
<td>16%</td>
<td>52%</td>
<td>+9%</td>
</tr>
<tr>
<td>Has A Clear And Well Understood Strategy In Place To Be Competitive</td>
<td>24%</td>
<td>51%</td>
<td>+7%</td>
</tr>
<tr>
<td>Is Doing Right Things To Drive Growth</td>
<td>20%</td>
<td>51%</td>
<td>+10%</td>
</tr>
<tr>
<td>Has The Right Capabilities To Be Competitive</td>
<td>25%</td>
<td>50%</td>
<td>+6%</td>
</tr>
<tr>
<td>Understands The ROI Of Marketing Plans</td>
<td>29%</td>
<td>45%</td>
<td>+11%</td>
</tr>
<tr>
<td>Has Right Operating Model (People/Structure/Processes/Tools) To Be Competitive</td>
<td>39%</td>
<td>31%</td>
<td>+1%</td>
</tr>
</tbody>
</table>
Appendix & Methodology
Study setup and respondents

**What**
- Short online survey
- Invites were sent to AMA newsletter subscribers and followers.
- For this wave a total of 303 respondents participated.
- Reliability interval for core questions up to 4.8% (at 90% reliability)

**When**
- Fieldwork was conducted from January 8 – 27 2020

**Who**

<table>
<thead>
<tr>
<th>Level</th>
<th>C-level/ Board</th>
<th>EVP/SVP</th>
<th>VP/Director</th>
<th>Manager</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>3%</td>
<td>30%</td>
<td>36%</td>
<td>19%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Up to 35</th>
<th>32%</th>
<th>36 to 45</th>
<th>26%</th>
<th>46 to 55</th>
<th>19%</th>
<th>56 or older</th>
<th>12%</th>
<th>Rather not say</th>
<th>12%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Organization size</th>
<th>1 – 100</th>
<th>101 – 500</th>
<th>501 – 1,000</th>
<th>1,001 – 5,000</th>
<th>5,001 – 10,000</th>
<th>More than 10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35%</td>
<td>20%</td>
<td>12%</td>
<td>7%</td>
<td>6%</td>
<td>13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Female</th>
<th>62%</th>
<th>Male</th>
<th>38%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19%</td>
<td>27%</td>
<td>13%</td>
<td>15%</td>
<td>27%</td>
</tr>
</tbody>
</table>
Marketer’s Confidence Index questions and calculation

The Index is constructed of:

<table>
<thead>
<tr>
<th>2 questions asking about the past:</th>
<th>3 questions asking about the Future:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Past 6 month Customer spending</strong></td>
<td><strong>Future 6 month Customer spending</strong></td>
</tr>
<tr>
<td>Do you think that overall customer spending in your industry in the past six months has increased, decreased or stayed the same?</td>
<td>What about the next six months? Will overall customer spending in your industry increase, decrease or stay the same?</td>
</tr>
<tr>
<td>Increased</td>
<td>Increased</td>
</tr>
<tr>
<td>Decreased</td>
<td>Decreased</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>Stayed the same</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Past 6 month Marketing Budget</strong></th>
<th><strong>Future 6 month Marketing Budget</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>In the past six months has your organization’s marketing budget increased, decreased or stayed the same?</td>
<td>What about the next six months? Will your organization’s marketing budget increase, decrease or stay the same?</td>
</tr>
<tr>
<td>Increased</td>
<td>Increased</td>
</tr>
<tr>
<td>Decreased</td>
<td>Decreased</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>Stayed the same</td>
</tr>
</tbody>
</table>

**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)

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

**Investment Climate**
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

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?

Increased Decline Stay the same

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

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

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 6)

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?

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?

- Increased
- Decline
- 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 top 2 and bottom 2 responses