

# The State of Marketing

—  
2018



Welcome to Incite Group's third State of Marketing Report.

This report features key insights from leading marketing executives on what's working, what's important, and importantly, how much management supports digital marketing techniques.

Digital marketing is making huge strides as an essential component of any campaign and often plays the lead or even the sole role in cutting through the clutter with personal messaging and creative content.

Marketers realize the current challenges they face are not only competing with each other for consumers' fleeting attention, but they must prove, by using ever-evolving metrics, the intrinsic value of these campaigns to the boss and/or the brand.

It's important to note as people spend more time online and on social media that modern marketers are finding new and better ways to create content, customize it, and track consumers' journey through to what ideally is the close.

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## Methodology

This report is based solely on timely and insightful responses to a wide-ranging survey of in-house and agency marketing professionals in Incite Group’s readership. There was no attempt to skew towards specific job titles or geographies, though it certainly cuts across both to include a wide variety of executives from around the globe.

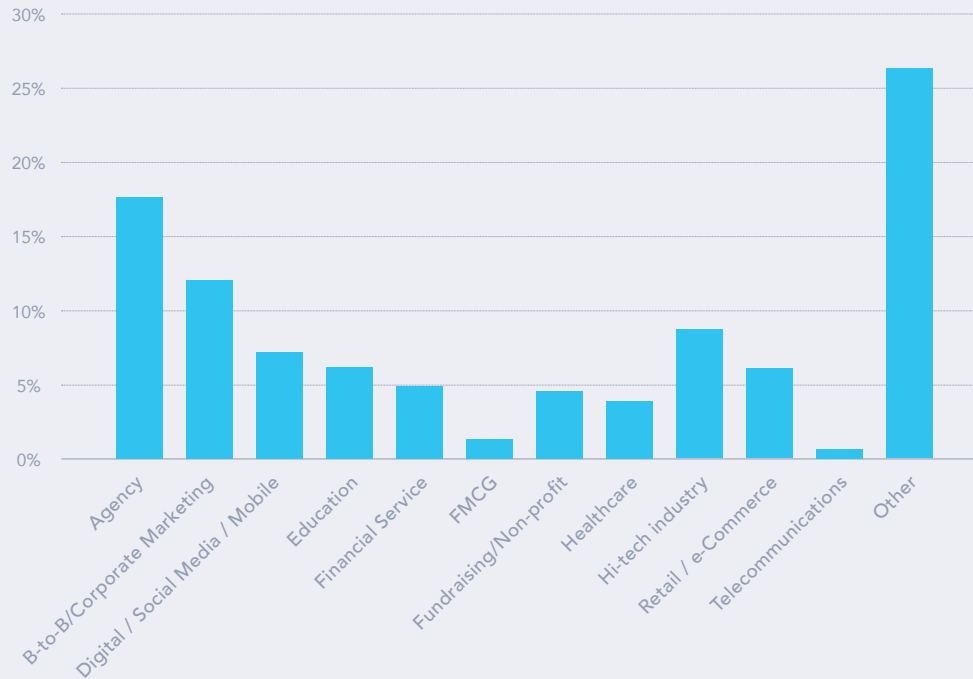
## Who Responded?

It was instructive to see what types of organizations from which those answering the survey hailed. The most popular answer among broader categories was corporate or brand with 40% of the responses, followed by agency/service provider at 28% and marketing technology firm was third with 9%. These results were similar to last year’s tally, although there were slightly more martech execs participating in the 2018 survey.



And when it came to describing their employer’s activities, agencies led the way as the most popular category among respondents (18%), with B2B and corporate marketing next at 12% and high-tech industry with 9%. Educational tied with retail/e-commerce at 6%, followed by financial services (5%).

### What best describes the company you work for?



The vast majority of the questions were closed. The open-ended questions helped provide background information and only the responses regarded an individual’s job title and geography were used in researching this white paper.

## Geography

The respondents also came from around the globe, although fully three-quarters of them cover the parts of the USA and Canada. The UK was next with 16% while mainland Europe was 15%, followed by South/Central America (14%), Asia (12%), Australasia (12%) and the Middle East/Africa 11%. The survey allowed for multiple answers for those that cover more than one territory so the numbers didn’t add up to 100%.

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## Hot Topics for Marketers

Brand storytelling is this year's runaway most important topic for respondents in this survey, with more than half of them citing it as an essential element for their marketing department. That's the third straight year the topic has increased in importance and its first time atop this list.

It's perhaps not a huge surprise given the greater focus on telling stories that can focus as much on experiences involving the brand as touting its outright excellence.

This finding dovetails with the other hottest topics resonating with these marketing executives for 2018: content marketing production and distribution as well as social media for customer engagement.

On the flip side, marketers for a second year running see little interest and need for virtual reality and augmented reality. It recorded a whopping 55% of all votes indicating it was "Not Important." That was nearly twice as many as the next highest tally—30% for artificial intelligence to power personalization. These two areas were easily the least valued in last year's survey as well. Clearly this year's respondents feel this technology's day is still yet to come.

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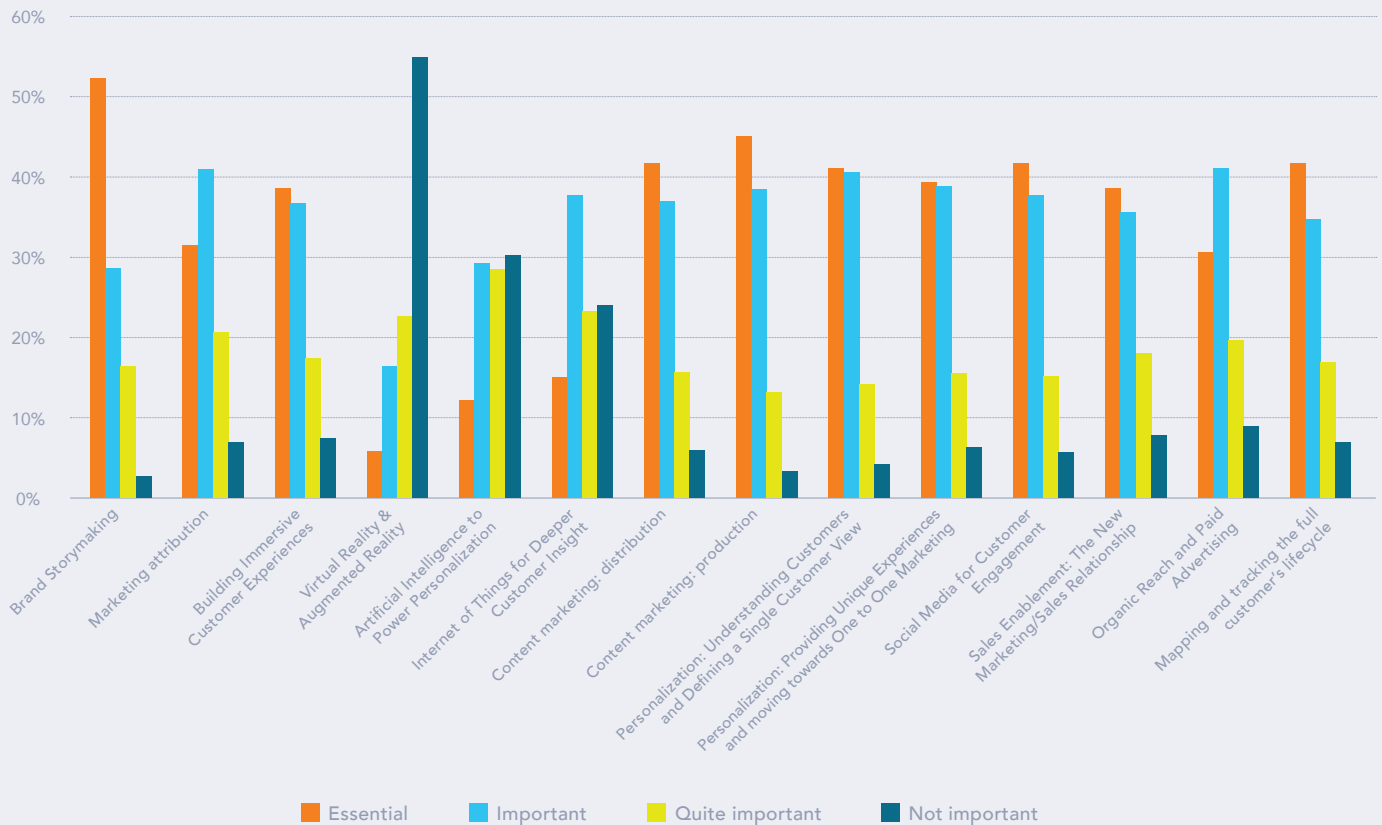
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### Which topics are most important for your Marketing Department in 2018?



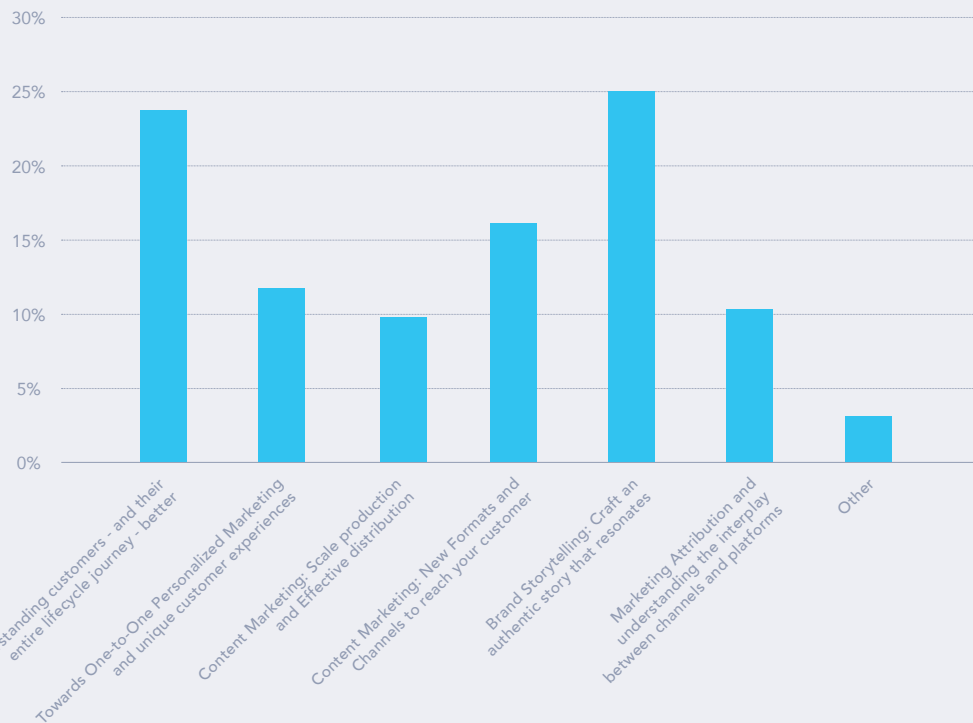
### Important Issues for '18

Incite Group continued its drill down into the most important issues for a second year and just like in 2017 respondents remain focused on better understanding their customers and the lifecycle of their journey.

While that was the top priority for individual marketers a year ago, survey respondents are most concerned this year with brand storytelling and crafting authentic stories that resonate with consumers. It's interesting to note that brand storymaking garnered the most votes this year, but finished a distant fourth in this category in 2017.

The third most important issue this year follows in this vein as well: content marketing, finding new formats and channels to reach the customer. The heightened awareness of meeting the customer on multiple channels has been born out in a number of Incite Group interviews and surveys.

### Which one of these big issues is the most important to you in 2018?



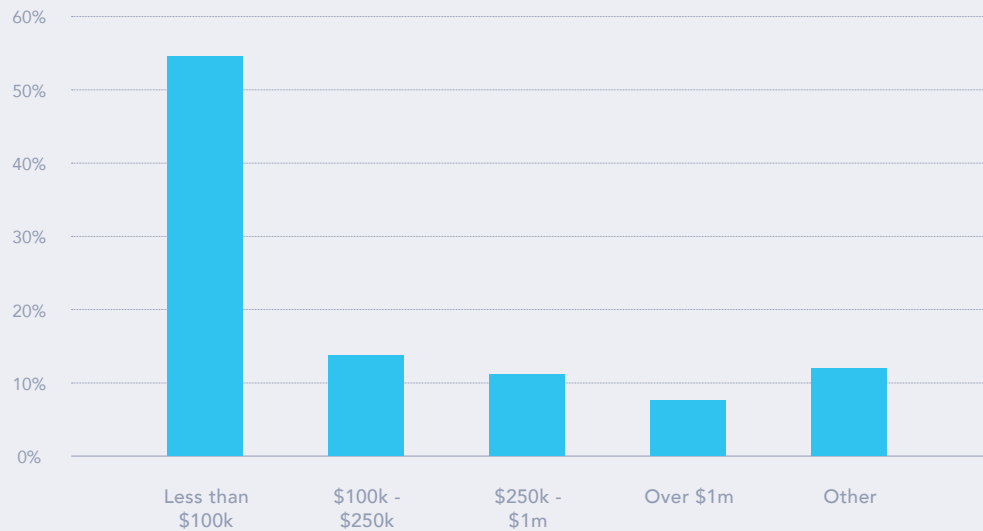
## Content Marketing Budgets for 2018

Crafting compelling stories may be top of mind for marketers, but survey respondents indicate that big budgets are not being created for content marketing. In fact, more than half of those answering (54%) said their budget for content marketing is less than \$100,000.

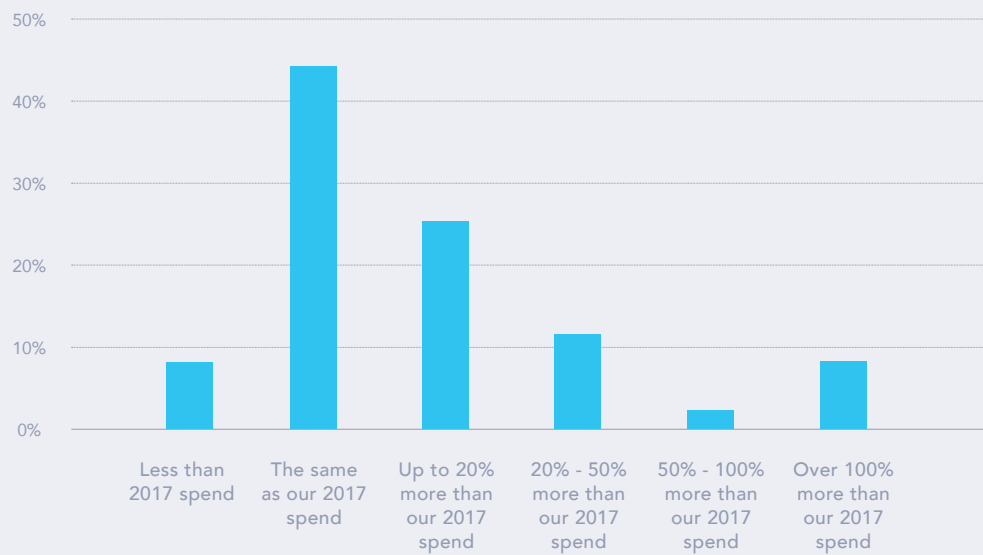
The categories for the biggest budgets (\$250,000 to \$1 million and those earmarking \$1 million and up) both saw a slight increase versus last year.

This marginal improvement over 2017 is an indication that companies are not yet opening wide their wallets for content marketing.

### What is your budget for content marketing in 2018?



### Does your budget represent an increase on your 2017 spend on content marketing?

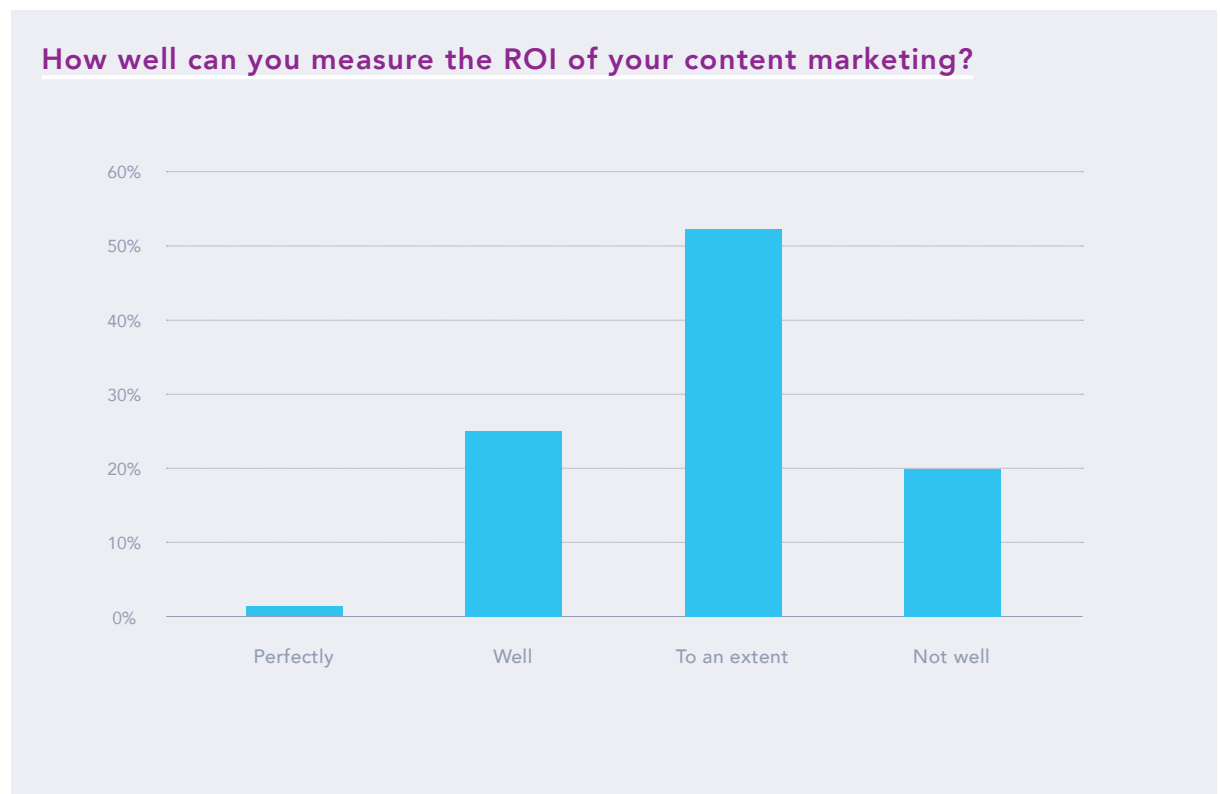




While the budgets may not be ballooning, a closer look at the marketing budgets shows an uptick in the amount that is being spent on content marketing. For instance the number of respondents tripled that reported that their budgets have more than doubled from last year. And the number of firms spending more was also slightly higher than in 2017 at 44%. The takeaway—the trend is higher for content marketing spend, just at a measured pace.

## How well can you measure ROI?

One hindrance for getting greater cash for content marketing may be the lack of confidence or the ability to accurately measure the return on that investment. The lion’s share of survey responders (52%) indicated that they could measure it only “to an extent.” That was more than in 2017 but this year saw year-over-year drops in the important categories of measuring ROI “perfectly” (just 2% of responses) and “well” (25%).



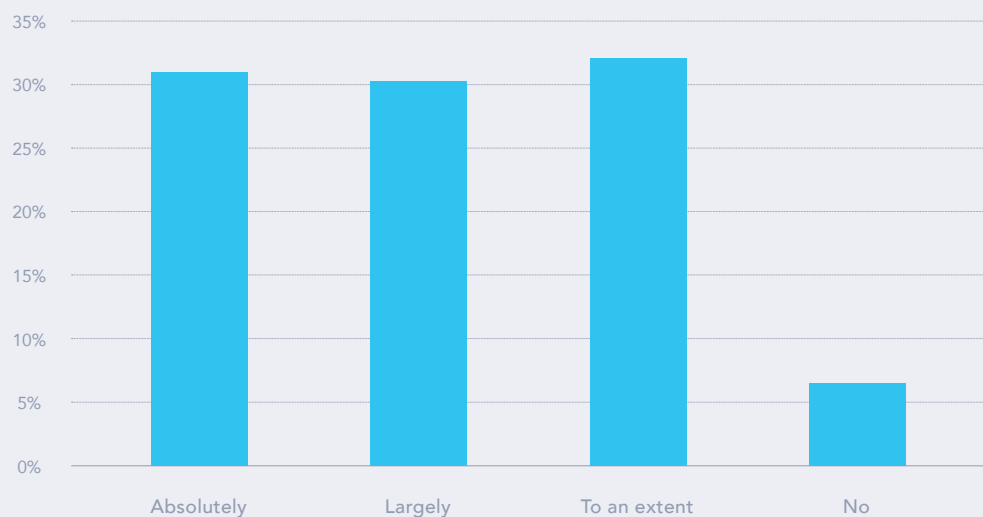
The silver lining here is that those saying “not well” dropped to just 20% this year, down from 27% in 2017.

## Value Play: Is leadership content with your content?

While the budgets for content marketing are not yet burgeoning and there remains skepticism about the ROI for these campaigns, respondents to our survey are confident that management by and large sees value but admit there's room for improvement. The results were

There is still work to be done, however, as evidenced by 32% of the answer still pointing to "an extent." That is slightly lower than the past two years while the naysayers have held fairly consistent below 10%.

### Is your leadership convinced of the value of content marketing?



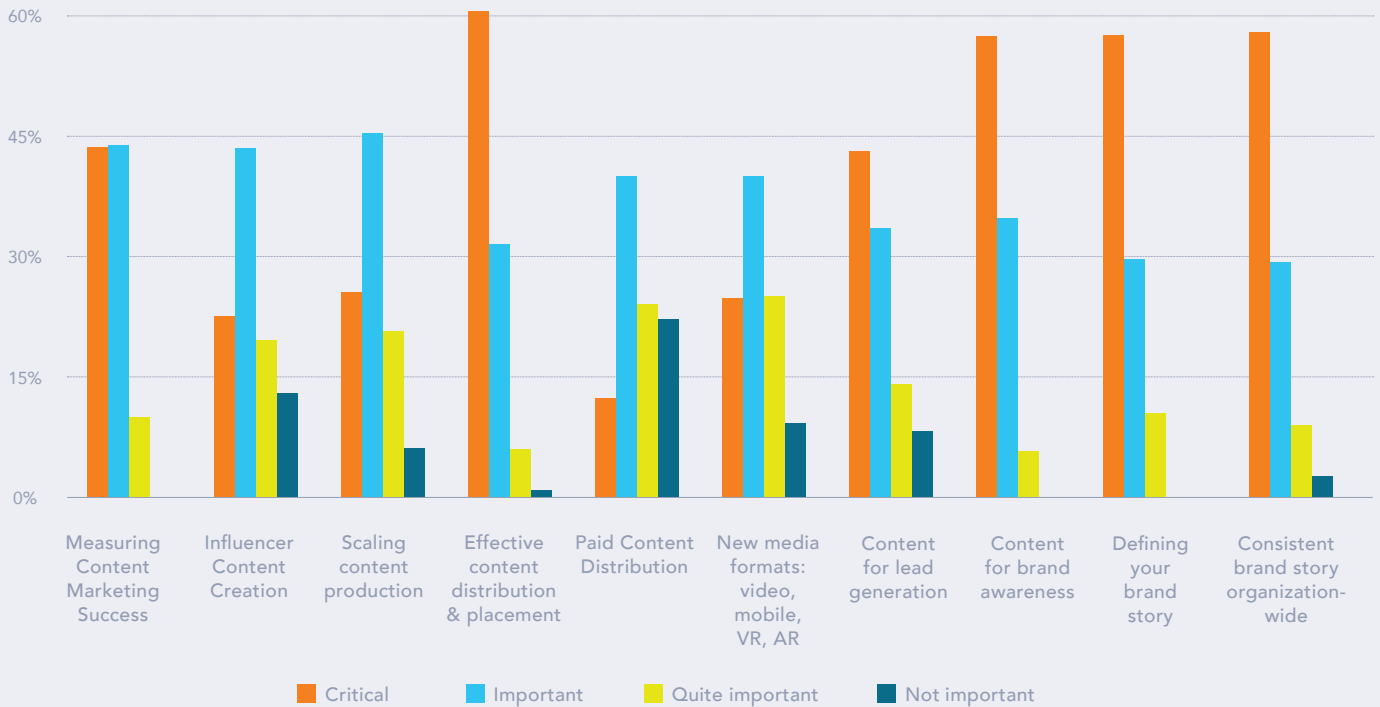
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### How important are the following issues?

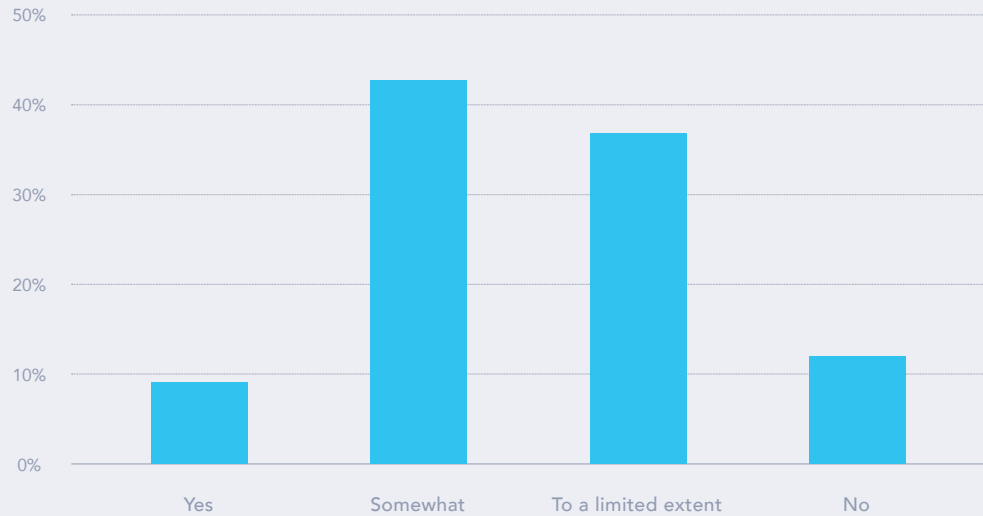


As the survey continued to drill down into issues facing marketers in 2018, time after time the executives respond that effective marketing boils down to getting the proper distribution for the content so that it ends up in the right place—in front of targeted consumers. 61% of respondents cited this as a critical element in their work. The issue was also the leading vote getter in this category a year ago.

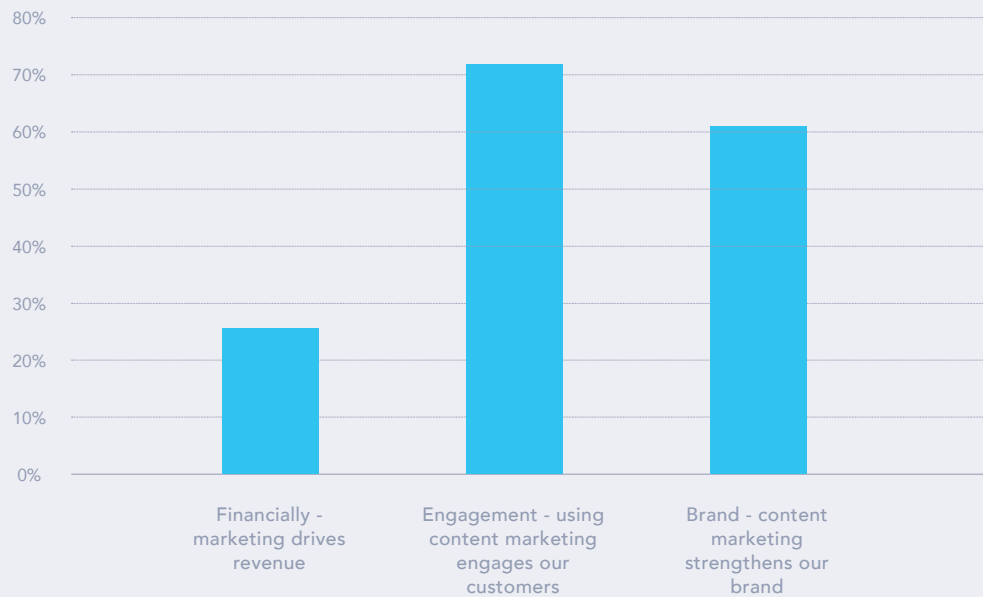
Content for brand awareness finished as the second most important topic for the second straight year. The answers were weighted by importance from critical to not important.

## Gaining Leverage for Content Marketing?

Are you leveraging content marketing potential as much as you could be?



In what form are you benefiting?



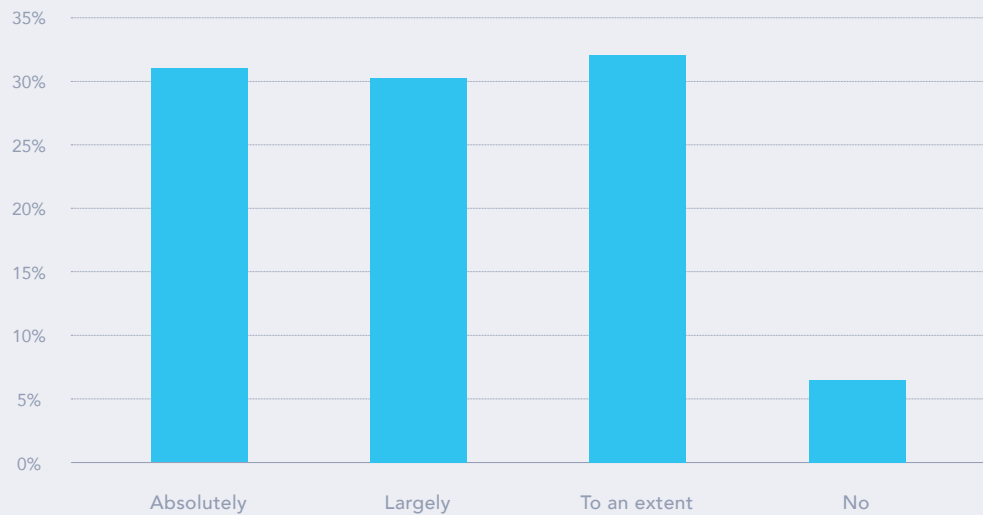
43% of respondents said they are seeing the benefits of content marketing; there is little change from a year ago in that category while in 2017 more marketing executives said they were leveraging the content to its full potential.

Those that are reaping the benefits of these campaigns said they are largely engaging their customers and strengthening their brand. Still, there remains work to be done as just one-fourth of respondents reported seeing pecuniary gains, little changed from each of the past two years.

The inability to reap measurable financial rewards and effectively measure the ROI of these campaigns may continue to hamstring further deployment of creative content marketing.

Still, we continue to see optimistic signals from respondents when discussing leadership buy-in for content marketing. Greater numbers this year than last said they are "absolutely" convinced that leadership sees value in these methods.

### Is your leadership convinced of the value of content marketing?



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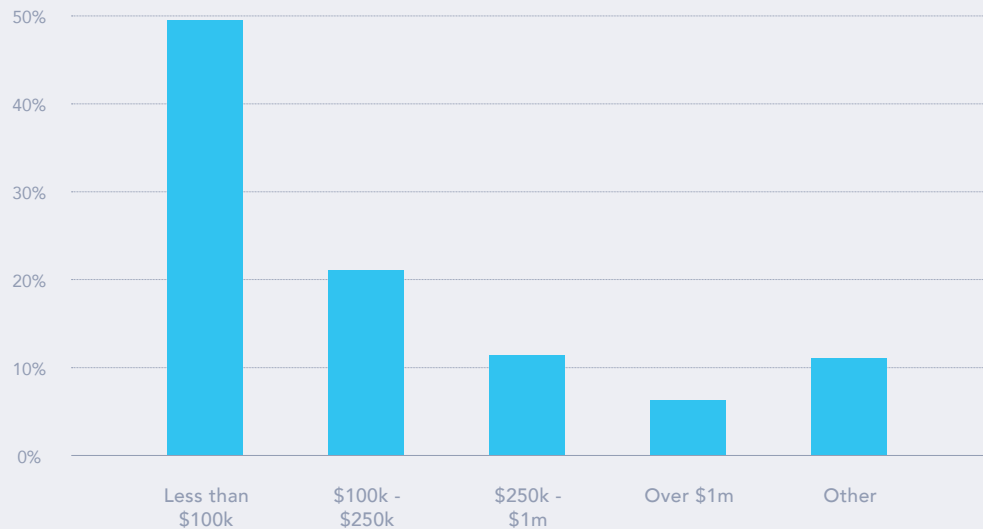
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## Getting Personal, Getting it Right

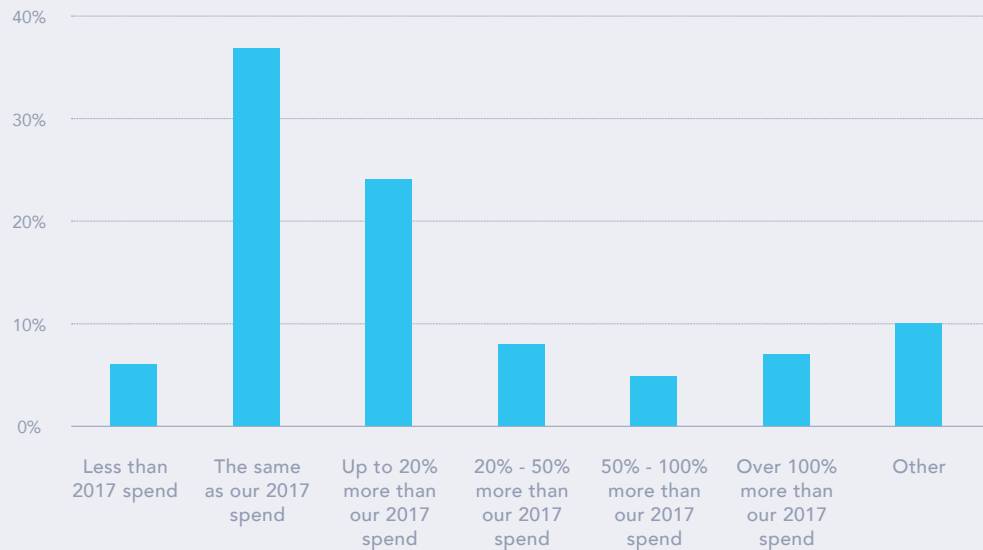
Improving personalization consistently ranks among the top issues for marketers in 2018, especially as more brands want to meet consumers on social channels with enhanced experiences and services.

As for the budgets, the lion's share of respondents say the budgets remain modest (below \$100,000) but there were twice as many marketers this year as last saying they had between \$100,000 and \$250,000. The number with \$1 million or more allocated also rose from 2017.

### What is your budget for improving personalization in 2018?



**Does your budget represent an increase on your spend on personalization from 2017?**



The trend points to bigger budgets this year than last for personalization. While the largest number of answers said they had the same to spend as last year, there continued to be growth across the board and even a decrease in those with fewer funds when compared to the responses from a year ago.

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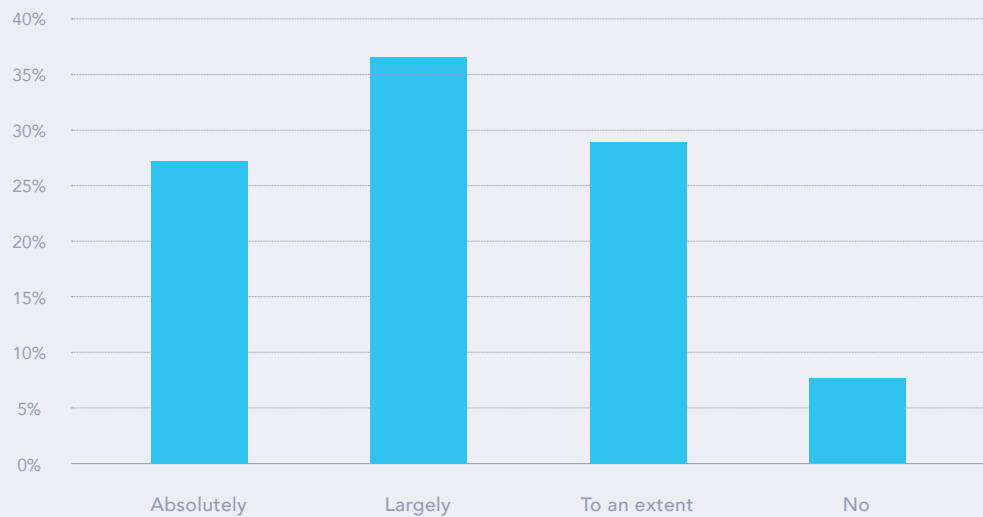
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### Is your leadership convinced of the value of personalization?



Marketers acknowledge that they need to better leverage personalization’s potential as well as improve measurement of ROI and that may indeed help loosen the purse strings.

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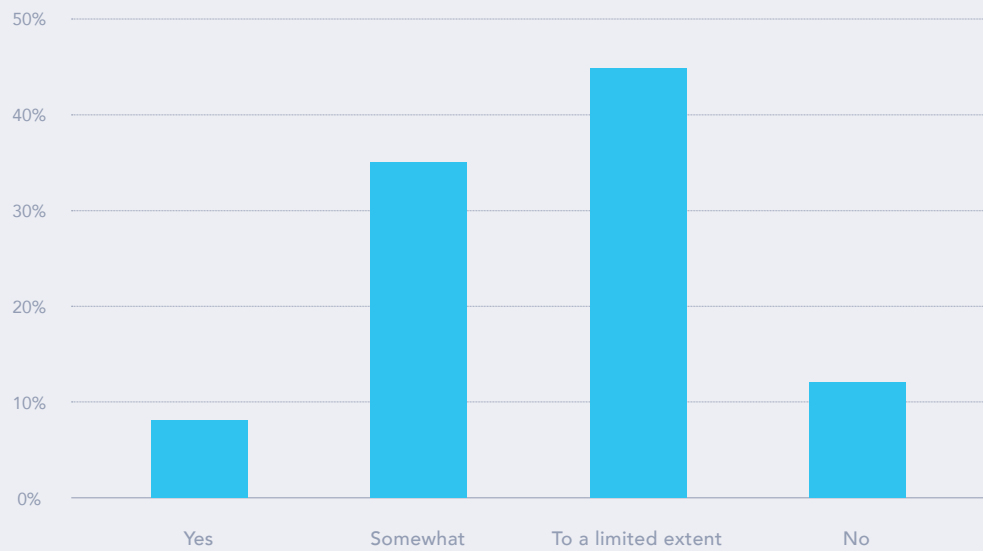
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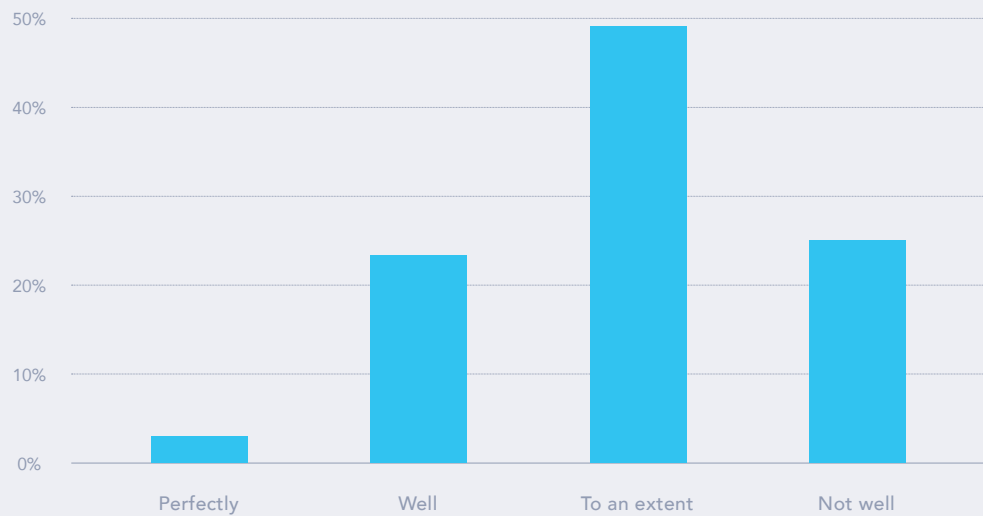
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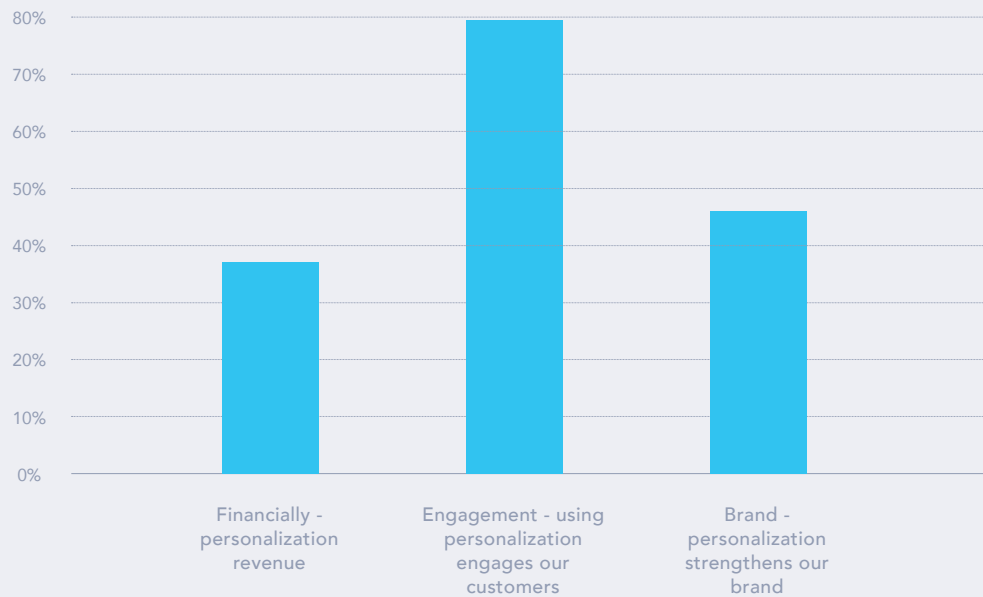
**Are you leveraging personalizations' potential as much as you could be?**



**How well can you measure the ROI of personalization?**



### In what form are you benefiting?



A vast majority of marketers (80% in this survey) said personalization boosts customer engagement and more than a third report it drives revenue. Both of these areas showed improvement over 2017. Meanwhile, 46% of respondents note personalization strengthens their brand, little changed from last year.

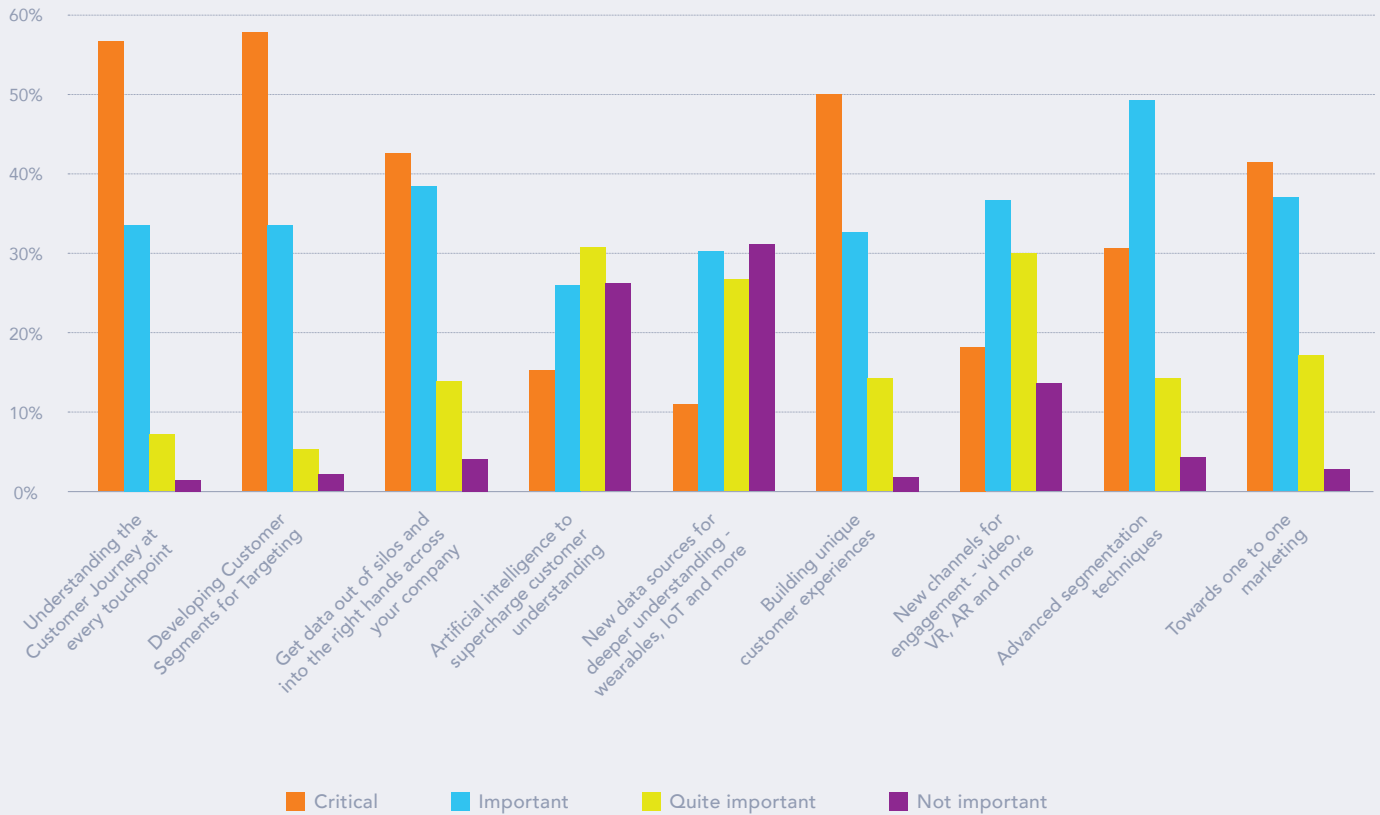
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### How important are the following issues?



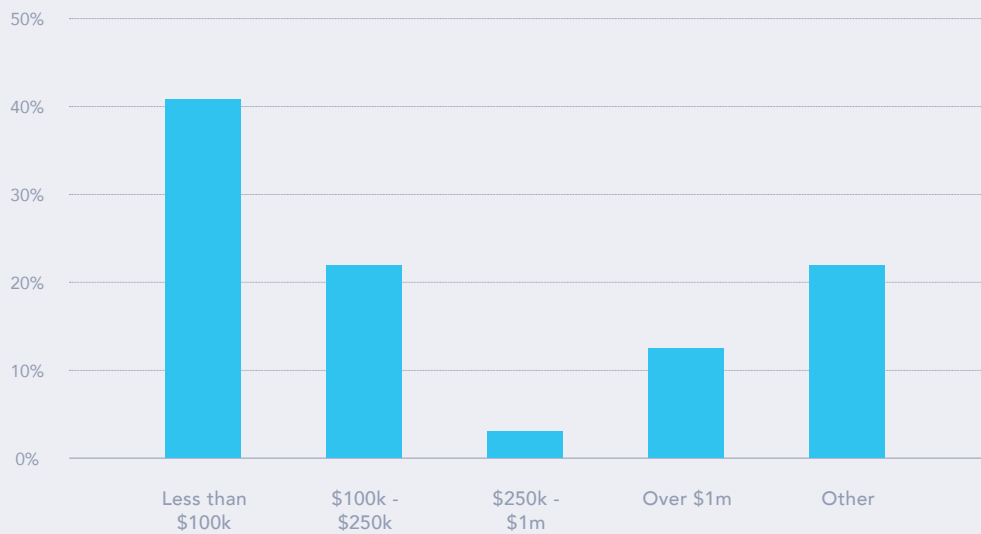
The most pressing issues to the survey responders included developing customer segments for targeting and understanding the customer journey at every touch point. The two topics finished in a dead heat as the answers were weighted from critical to not important.

## Marketing Attribution

The data-driven marketing attribution area seeks to use analytics to track the effectiveness of personalization and content. This third leg of the modern marketing stool seeks to identify what worked along the consumer’s journey to secure a sale or what went awry and how to improve it the next time.

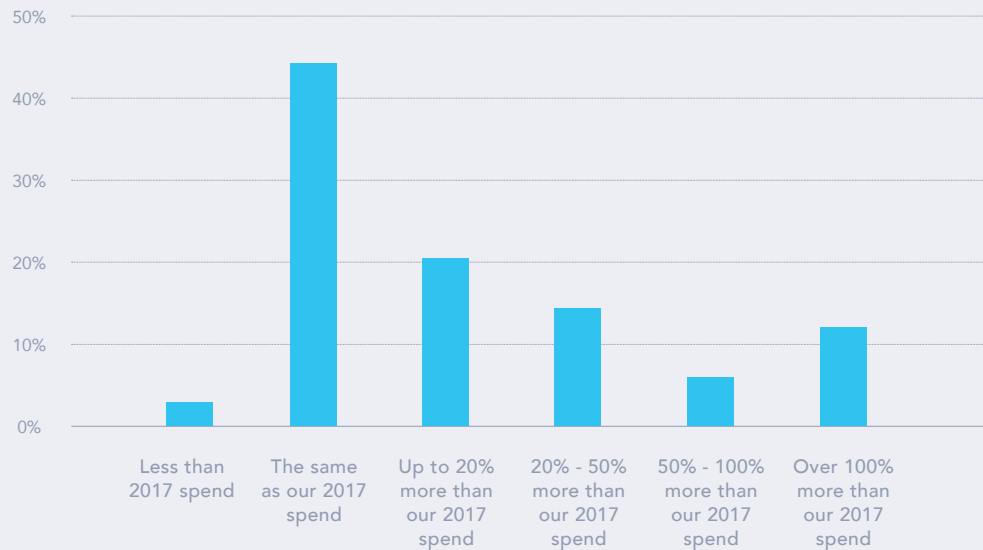
The treasure trove of data has many CMOs champing at the bit to close the loop more efficiently and more often with consumers. Still the budgetary bifurcation seen in this area shows that more firms are willing to make big bets, above \$1 million, than in the past two years but there is little growth among respondents in the mid-range between \$100,000 to \$1 million.

### What is your budget for improving marketing attribution in 2018?



There was not a great deal of budgetary growth over the past year. Nearly half of respondents indicated no change in their spending. Almost one in five saw up to a 20% boost while 15% said they were apportioned between 20% and 50% more than the prior year.

**Does your budget represent an increase on your spend on marketing attribution from 2017?**



While there was little growth in annual budgets for marketing attribution, the ROI measurement did noticeably appreciate.

The number of respondents saying they could not measure it well dropped by one-third versus last year with many of those respondents apparently defecting this year to the “well” camp, as those answers rose by nearly one-third from 2017.

Those answering that they can “perfectly” measure marketing attribution accounted for just 3% of respondents, but that is up from zero a year ago.

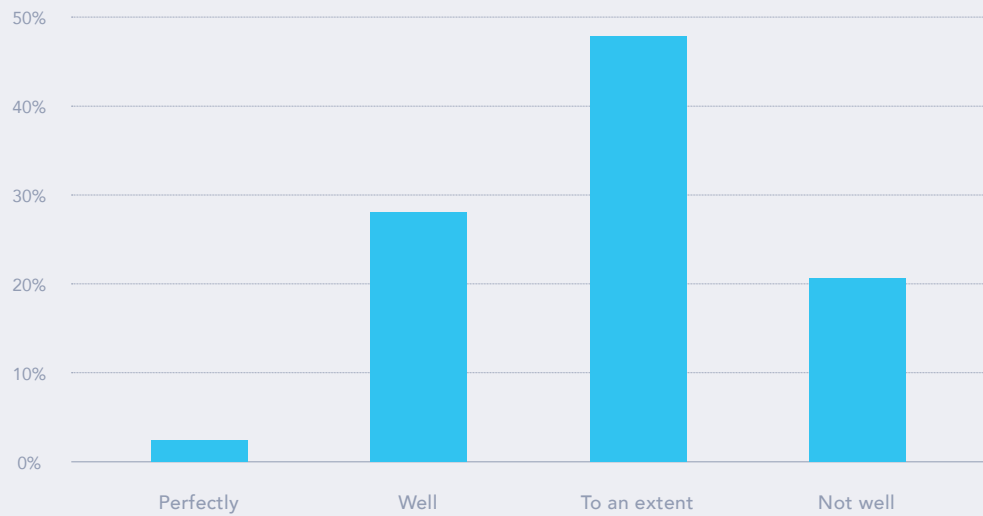
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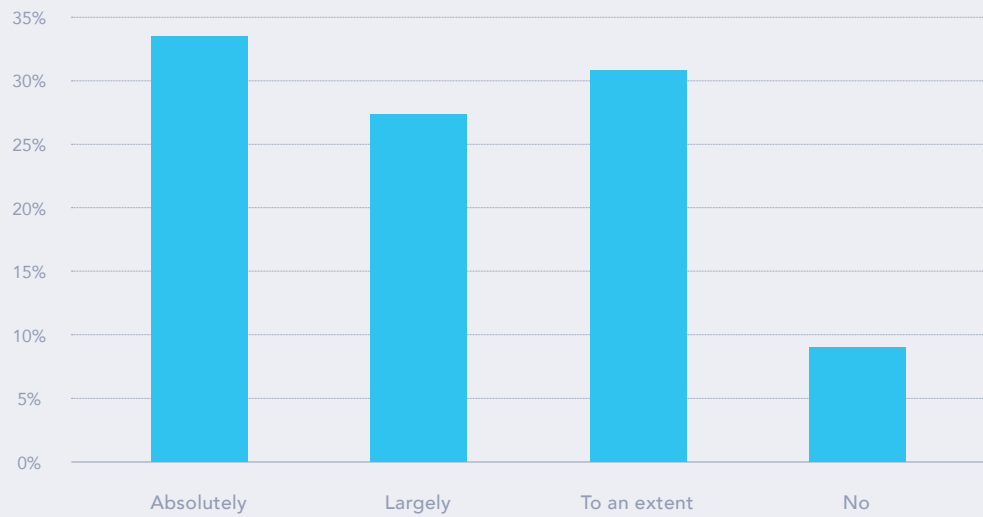
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### How well can you measure the ROI of marketing attribution?



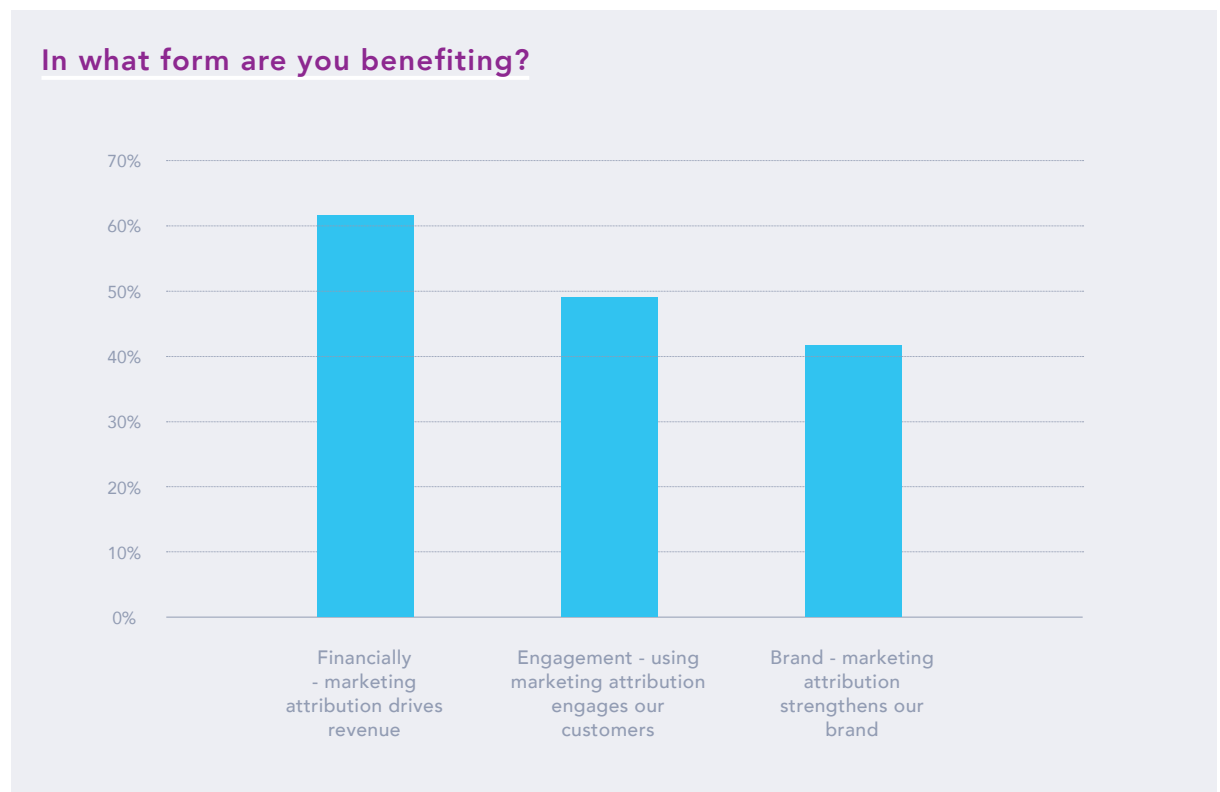
### Is your leadership convinced of the value of marketing attribution?



Leadership is buying in at higher rates, with a solid one-third of respondents saying management “absolutely” is convinced of the value of marketing attribution. That’s higher than last year while those saying “largely” slipped and the “to an extent” crowd increasing. The best news for marketers interested in employing these techniques is that the number of executives declined who feel the boss sees no use for marketing attribution.

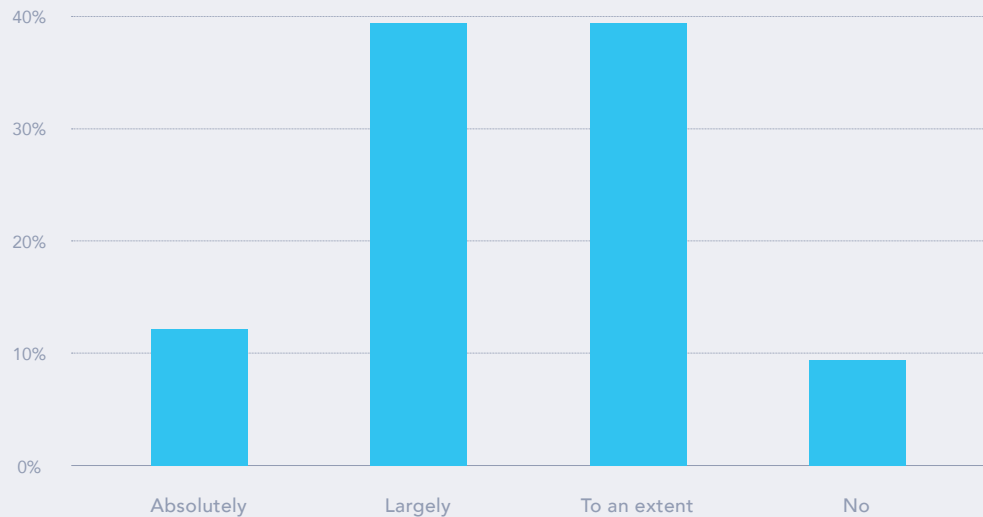
Marketers reported a real sea change in terms of reaping rewards from marketing attribution this year, as 61% of respondents said it is driving revenues. That’s nearly four times as many as a year ago and triple the rate from 2016.

The engagement level nearly reached 50%, more than double last year’s reading. It was a similar story with brand strengthening, which exceeded 40% and more than doubled up the 2017 figure.



Following on to the revenue that marketing attribution is generating, more than half of the executives in the survey said they’re seeing benefits and are leveraging the methods “somewhat” (40%) or “fully” (12%). Still, some marketers say they are not profiting from attribution as 9% said they aren’t deriving real benefits from these efforts.

### Are you leveraging marketing attribution's potential as much as you could be?



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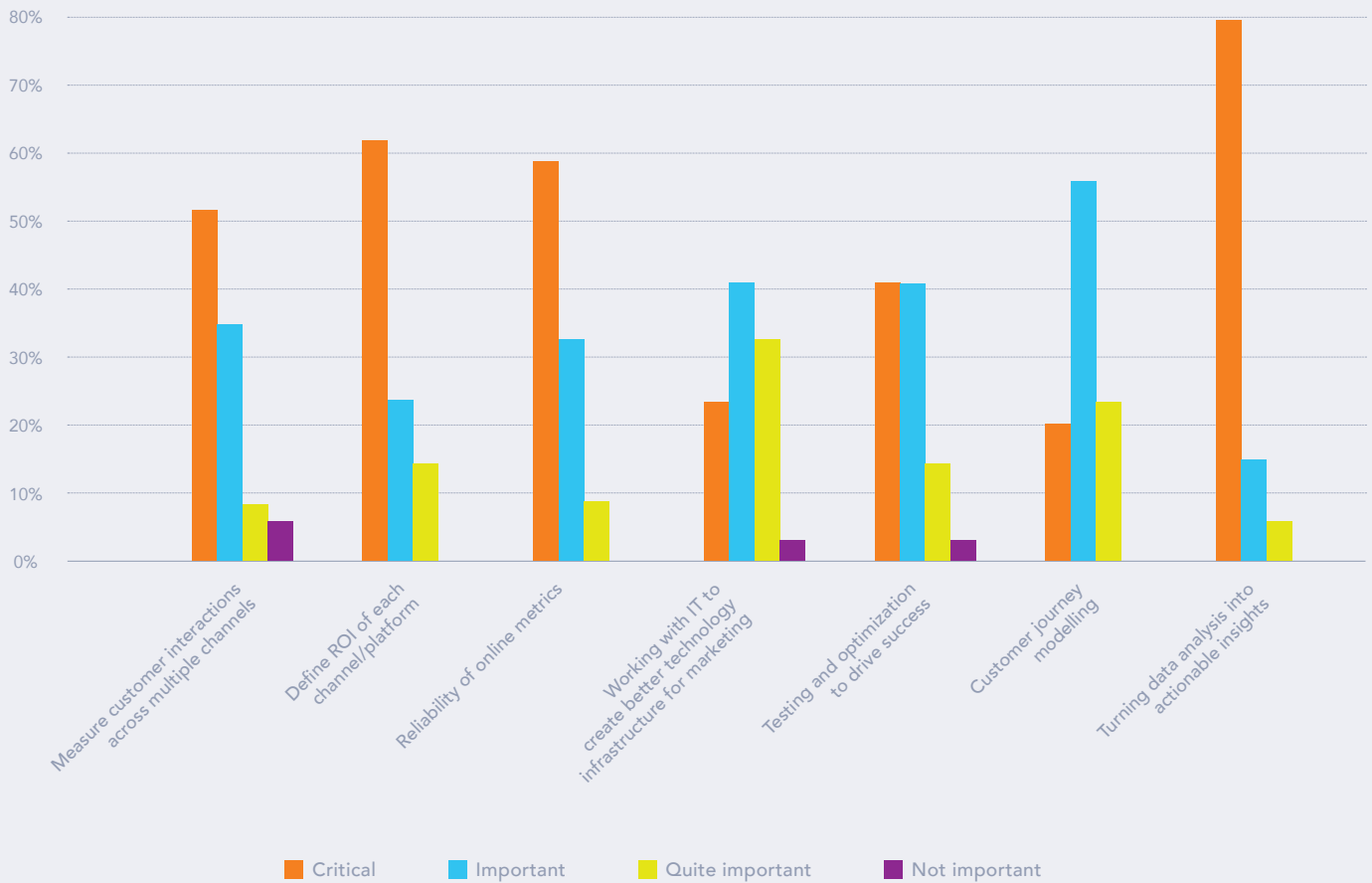
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### How important are the following issues?



When it comes to the most important issues around market attribution, marketers told Incite Group that “turning data analysis into actionable insights” is the most pressing and essential to them. It was followed by the “reliability of online metrics” and then “define the ROI of each channel/platform.”

These responses are perfectly in sync with the findings across all three issues of modern marketing: identifying, tracking, and getting custom content to consumers is becoming easier to do but now the tricky part is improving the success rate and being able to harness that data to do so.

## Conclusion

Marketers are becoming more invested in creating personalized, targeted content that is delivered with pinpoint, trackable accuracy.

Strategies of implementing these tactics may vary but by and large marketers tell us the ability to create and share content and experiences continues to be a game changer for their work.

The next step is to more accurately track ROI, which should in turn boost confidence of leadership and increase budgets for these types of campaigns.

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