

ALF

BUSINESS
DEVELOPMENT



Marketing Trends, Spend and Forecasts 2015



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INTRODUCTION



Data is at the heart of everything ALF does; our entire business is based on insight into 40,000 contacts at 6,000 major UK brands and their agencies.

In this unique report, we surveyed our database to understand where marketers will be prioritising their budgets and what challenges they are looking to overcome. We've also gained insight into the top marketing trends that both your peers and prospective customers will be embracing in 2015.

Whether you're a supplier looking to understand the needs and pain points of your potential clients, or a brand looking to benchmark your own spend, this report provides a complete overview to help inform your 2015 strategy.

Enjoy the read!

Tom McMullen,
Subscription Sales Director,
ALF

"ALF is the golden key that opens doors to new clients. We are always confident that our Sales & Marketing efforts are well received due to the high quality and up-to-date information within ALF. No doubt, ALF provides exceptional ROI providing your contact strategy is effective. Overall, very happy. Great bunch to work with too."



Theo Gulland

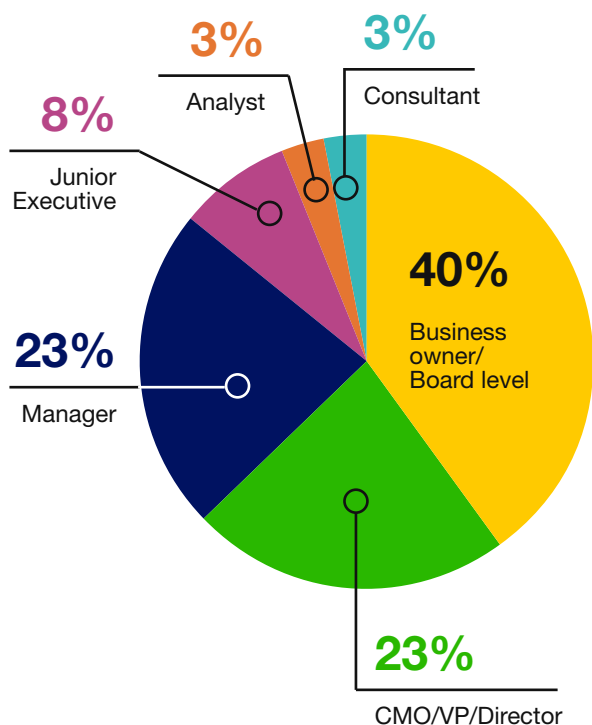
CHAPTER 1

The top 5 marketing trends set to shake up 2015

We surveyed 153 marketers working within some of the biggest brands and agencies to find out what their priorities were for 2015, where they are investing and what challenges they are facing.

Who did we ask?

WHICH OF THE FOLLOWING BEST DESCRIBES YOUR JOB ROLE?



And what did they say?

1 Marketers prioritise customer acquisition

Expansion and acquisition are clear trends for 2015, with **73%**¹ of marketers seeing 'driving new customers' as their highest priority but it's important not to forget current customers. Marketers are also considering how to increase customer engagement (**31%**), drive value from existing customers (**35%**) and, ultimately, enhance customer experience (**22%**).

Research has shown that the marketing channels used to enhance customer experience are the same as those used to drive expansion. As there is little difference between channels, marketers' focus should be on the tone of content. So marketers can kill two birds with one stone by ensuring current customers are satisfied, which will, in turn, fulfil their priority of driving new customers.

73%
of marketers
see 'driving new
customers' as their
highest priority

2 Content needs to be distributed strategically

It's no secret that content is king: half of marketers will be using content as a marketing channel in 2015². But it's no good having majestic content if none of your clients are reading it. Content is now just as much about distribution as it is about quality. And there are so many distribution channels to choose from - social, search, email, native, and offline - so it's vital to work out the best delivery method for your content.

Content is the area that most marketers will invest in this year with **80%** putting big budgets in developing compelling content. One vital area for investment will be websites, which should be a company's flagship source of content. Yet despite it being a priority, it is also one of our biggest challenges. Content, the building blocks of a website, is cited as marketers' biggest website concern (**45%**), ahead of design (**35%**)³. Marketers need to strike a balance between creating relevant content and distributing it accordingly.

80%
of marketers
are putting
big budgets
in developing
content

¹ ALF, Marketing Spend in 2015

² ALF, Marketing Spend in 2015

³ ALF, Marketing Spend in 2015

3 Automation and CRM are technologies worth investing in

In 2015, marketers continue to invest in new technologies, ranging from web RTC and ecommerce platforms to data analysis and reporting tools. But the most popular investments are automation and CRM (**48%**). Marketers are embracing these technologies to upscale their marketing efforts and deliver ROI.

CRM is the stand out leader with **41%** looking to invest⁴ and **54%** seeing CRM as absolutely critical or very important in their marketing strategy.⁵ Customer relationships are essentially what drive a business, and with the advent of Cloud CRM and social listening tools, such as Hootsuite, Google Alerts, and Social Mention, it's easier than ever to track customers and gain insight into the entire customer journey.

Automation is also a key technology for the coming year. SMB marketers using marketing automation are said to be twice as effective by peers, proving its worth⁶. Companies tend to use automation software in conjunction with a CRM to keep customer records, so buying into both technologies is a sound investment for 2015. Before investing, ensure your CRM and automation software compliment each other and integrate fully to track customer and prospect behaviour right the way through the funnel.

48%
of those surveyed
are investing in
Automation and
CRM in 2015

"For years, I have been using ALF as a source of leads when looking to develop media owner contacts for the different publishers I worked for, it has continued to prove itself as a worthwhile investment. Now, it is a regular on my 'opportunities' summary, without question any brand looking for quick access to a comprehensive database of UK brands and a fantastic support team to help them develop their business, should sign up! I did and will continue to do so."



cK Edwards-Levene
Director

4 Be omnipresent online in the 'year of mobile'

If you're not online, you're not on the radar. In our 'always on' society, it is more important than ever for web presence to infiltrate mobile and tablet. Forbes declared 2014 to be the third annual 'year of mobile', but Salesforce has named 2015 the year of mobile 'for real'.

46% of marketers are using some form of mobile marketing (SMS, push notifications, mobile apps etc.) this year, compared to only **23%** in 2014.⁷

In 2015, marketers will be ensuring brand continuity across all online platforms. It's no longer just about being present online but also pushing consistent messages across different online channels – whether mobile, social or banner advertising.

46%
of marketers
are using mobile
marketing this year

5 Digital vs Traditional – the return of direct mail

We saw a hint of a digital backlash in our survey. While content, web and mobile are still vital channels, marketers aren't entirely turning their back on traditional means of communication. As information available online escalates, attention spans are dwindling. It's easier to simply hit delete than sift through your inbox or scroll past a sponsored tweet rather than read and click through the link.

With traditional offline marketing methods like **direct mail**, recipients are more likely to physically pick up your information, read it and have an actionable response. This is why **34%** of marketers⁸ are looking at investing in direct mail marketing in 2015. The trick, now, is to ensure that you're building a coherent, consistent and interesting journey online and offline. If the messaging is supported across channels, both online and offline can complement one another.

TAKE NOTE: PRINT, FULFILMENT AND PRODUCTION COMPANIES

There is room to reap the rewards of a 'digital backlash', so long as suppliers stand out from the crowd with creative, unique campaigns that run alongside online marketing activity.

⁷ Salesforce, 2015 State of Marketing

⁸ ALF, Marketing Spend in 2015

CHAPTER 2

Spend Trends 2015

Our survey also asked where marketers are investing in 2015 – both the technology and the channels of distribution – as well as how much money they will contribute to the marketing budget. Here's what they had to say...

Technology

- **CRM** is the big technology to invest in for 2015. Customer relationship management is key to running a successful business and fulfilling customer expectations.
- Mobile capabilities and the move towards Cloud CRM, rather than on-premise software, is not only making CRM more effective and adaptable for working on the move, but is also proving to be cheaper, as more dynamic systems with CRM apps avoid the need for frequent, expensive upgrades.
- Salesforce is still leading the way in terms of providers (**22%**) but Microsoft Dynamics CRM (**4%**), Netsuite (**2%**) and Zoho (**2%**) are beginning to emerge as favourable platforms. However, **43%** of companies still do not use any CRM software.
- Those who are investing in CRM are looking to drive more value from existing customers (**44%**) and increase customer engagement (**33%**) - targets that are easily achievable when CRM tools allow marketers to track the span of a customer relationship.

TAKE NOTE: TECHNOLOGY SUPPLIERS

The most popular technology investments this year are CRM and Automation. Suppliers need to align their sales strategy with the priorities of marketers in 2015 and demonstrate how their product or service can boost customer engagement.

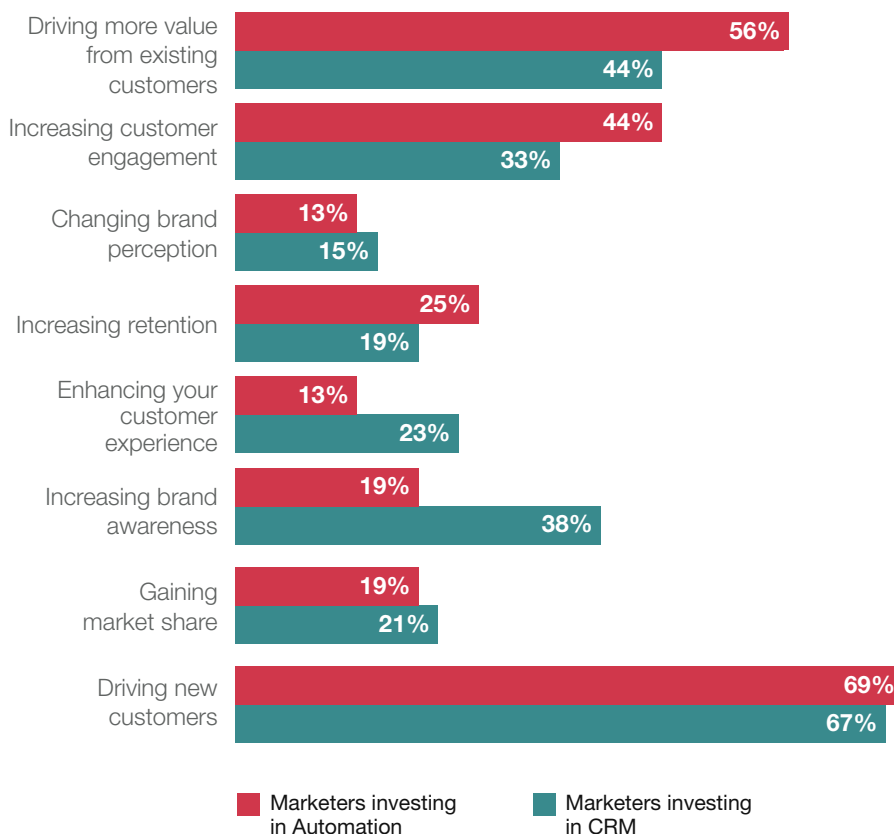
- **Automation** is also a key investment for this year, frequently being used in conjunction with CRM (a master for customer records). **11%** of marketing automation users do not use CRM, instead relying on the micro-CRM capabilities built into marketing automation systems⁹.
- The effectiveness of automation has been proven as SMB marketers using marketing automation software are perceived to be twice as effective at staying in touch as their non-automated counterparts¹⁰.
- Those investing in automation have a clear priority of driving new customers (**69%**), while still being invested in driving more value from existing customers (**56%**) and increasing customer engagement (**44%**).

“ALF is an invaluable resource that saves me time when trying to find out who looks after specific accounts within the media buying agencies.”

rbi reed business
information

Justin
Viljoen

WHAT ARE YOUR MAIN PRIORITIES FOR NEXT YEAR?



⁹ Autopilot – Marketing automation

¹⁰ Autopilot – Marketing automation

Channels

ONLINE

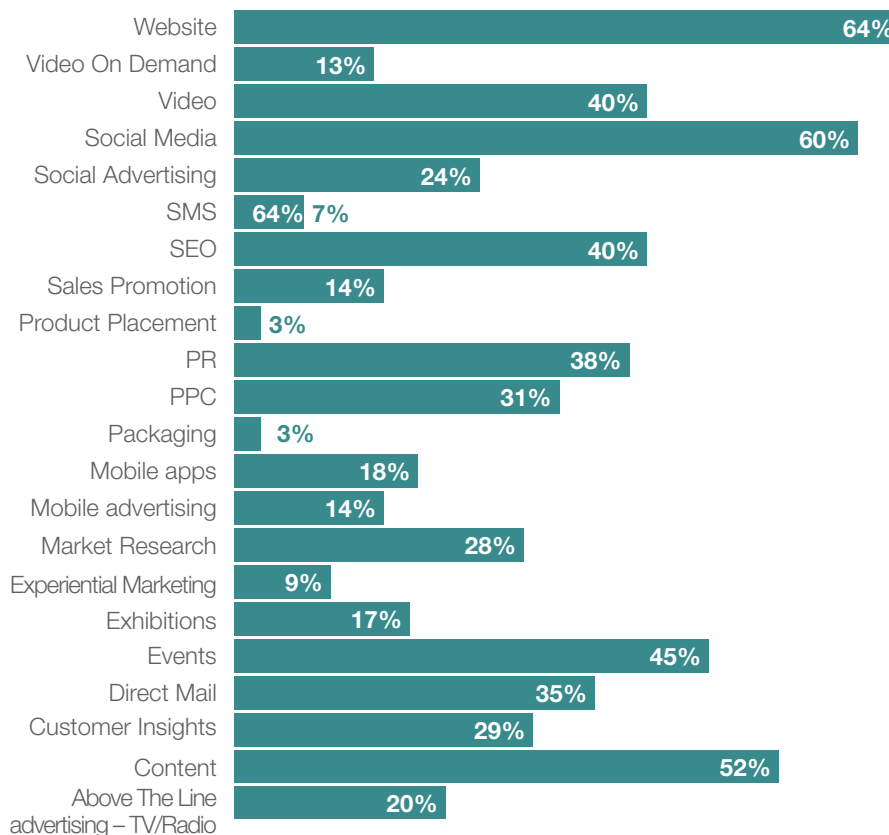
- **Content** is still a key channel, with 69% of B2C marketers creating more content than last year and those who have a documented content marketing strategy are creating the most content¹¹.
- In turn, **SEO** is essential to deliver that content, as most internet users' first port of call is the Google search bar. Without sufficient SEO, these sites will not be visible.
- **Social Media** continues to be vital to digital marketing, with **64%** of marketers seeing social media marketing as a critical enabler of products and services¹² with B2C marketers using an average of 7 social media platforms this year, compared with 6 last year¹³.

TAKE NOTE:

CREATIVE AND DIGITAL AGENCIES

Specialist agencies have a chance in 2015 prove their value over in-house as experts in social, SEO, content and other digital marketing.

WHICH OF THESE CHANNELS IS YOUR MARKETING TEAM LIKELY TO INVEST IN 2015?



OFFLINE

- **Direct mail** was highlighted as an ever-effective marketing tool, with the physical presence of information being more appealing to read as opposed to emails that can easily be deleted or social media posts that can be scrolled past. Integrating both direct mail and email to boost campaign response is becoming more popular.
- **Events** continue to be an effective way to deliver a message to a captive audience. But events in 2015 must be underpinned by media partnerships, targeted e-marketing, social features and strong content to be persuasive and successful.

Events are a great example of why marketing channels have to be used dynamically to achieve their full potential. The same can be said of inbound marketing in general. Relying on SEO to draw in visitors from organic search is great, but the SEO doesn't work if there's no content. Without social media, blogs don't reach new, interested people. And SEO, content and social media are all completely useless without a process in place to track and follow up on interactions¹⁴.

"ALF constantly surprises me with the quantity and accuracy of the information it can provide. There is much more for us to get from the system for years to come, but ALF has already proved fruitful in helping us source great contacts that are difficult to find elsewhere, particularly client direct contacts."



Rob Hunt,
Head of Creative
Solutions

What percentage of company revenue goes towards marketing?

It's vital to ensure you are investing in the most effective technologies and channels to suit your priorities, as three quarters of companies spend 5% or less of their revenue on their marketing budget.

84% of marketers plan to increase or maintain their spend in 2015, with **38%** planning to shift from traditional mass advertising to more personalised digital channels¹⁵.

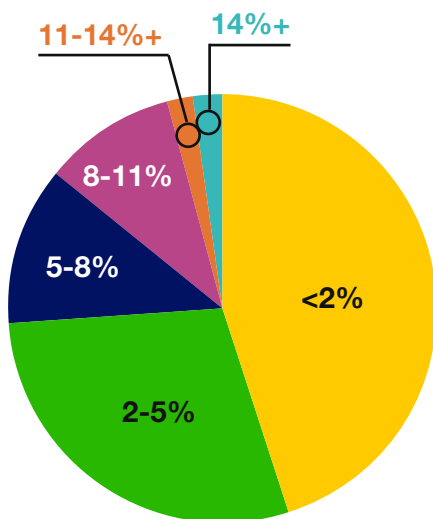
74%

of companies put 5% or less of their revenue towards their marketing budget

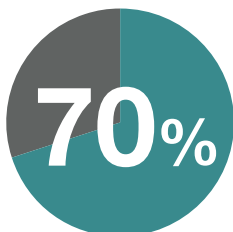
84%

marketers plan to increase or maintain their spend in 2015

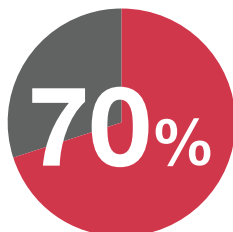
WHAT IS YOUR MARKETING BUDGET AS % OF COMPANY REVENUE



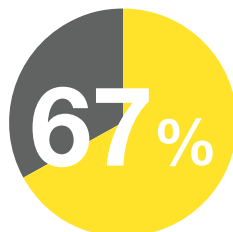
According to a recent Salesforce report, the top 5 areas for increased spending in 2015 are:*



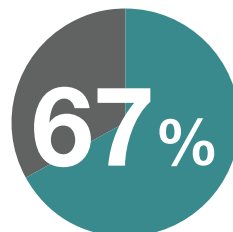
Social media advertising



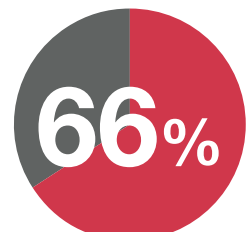
Social media marketing



Social media engagement



Location-based mobile tracking



Mobile applications

Biggest spender profiles: where are they investing?

Companies with a revenue of £20million and over are still only assigning an average of 0-5% of their revenue on their marketing budget.

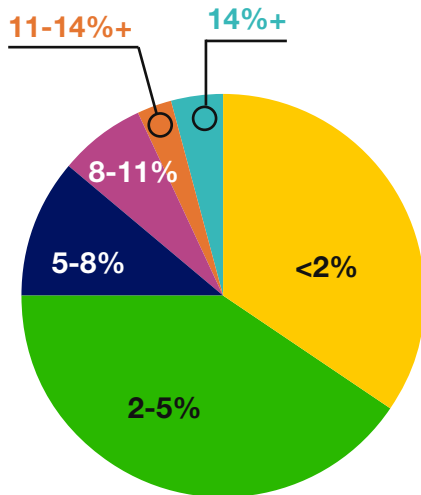
- This budget is then most likely to be spent on websites (**64%**) and events (**45%**) which are two of the most expensive marketing channels.
- The cost from building **websites** stacks up due to the skills needed: coding, visual design, UX design and copywriting. **62%** of marketers say website traffic is the most reliable metric for assessing content marketing success however achieving a better conversion rate for visitors to websites is the number 1 priority when it comes to websites.
- **Events** are still an effective way to deliver information through demos and speakers and an opportunity to impress if done properly. This takes serious investment thought: venue, speakers, media sponsors, content, social, giveaways and even catering. If a full event is excessive then exhibiting at an industry event is another great way to raise brand awareness or demo new products.
- Other areas also receiving investment from the 'big spenders', and across the board in general are social media, SEO and content. Social media is now considered to be core to a business element with **64%** of marketers in 2015 seeing it as a critical enabler of products and services, compared to just **25%** in 2014 with marketers increasing their budgets more for social more than any other digital marketing channels.
- Nearly **91%** of executives said they need more help getting web traffic to their site¹⁶ showing **SEO** is more important than ever. SEO is a speciality skill that is worth investing in, because if a site's metadata is not up to scratch and organic search rates dwindle, a corporate website can become invisible online.
- Unsurprisingly, **content** is still a key area for investment. But with the annual growth rate of content production hitting **200%**¹⁷, content needs to be used dynamically across channels and marketers need to consider different types of content, including video, to stand out. But content marketing has evolved beyond creation and distribution into an actionable plan that matches up with business strategies. **43%** of marketers with a documented content marketing strategy are successful at tracking ROI, yet only **27%** have taken the time to put their strategy into writing. By taking control of content, marketers can ultimately deliver meaningful campaigns that will see customer engagement and ROI.

62%
of marketers
say website
traffic is most
reliable metric for
content success

TAKE NOTE: DIGITAL AGENCIES

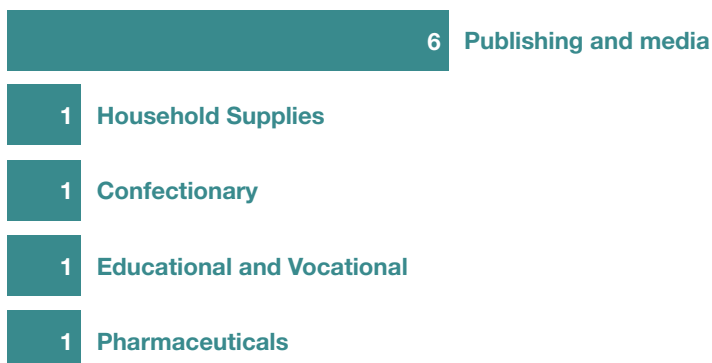
There is opportunity to pursue the big spenders who are actively looking to invest in their website. Hot sectors include: publishing & media, charities, entertainment & leisure, education & retail.

WHAT IS YOUR MARKETING BUDGET AS % COMPANY REVENUE? (COMPANIES WITH ANNUAL REVENUE OF £20 MILLION +)



The top sectors spending over 8% of their revenue on marketing are publishing and media, confectionary, educational and vocational, household supplies and pharmaceuticals:

COMPANIES WITH MARKETING BUDGET OVER 8% OF TOTAL REVENUE



64%
of marketers
in 2015 see
social media
as critical

TAKE NOTE: AGENCIES

With increased competition agencies will need to start becoming more of a strategic partner to brands. Agencies must spend the time getting under the skin of the brand its customers and more importantly the dynamics within the business. This 'value add' not only improves 'client/agency relationship' but often ensures longer-term commitment from the client.

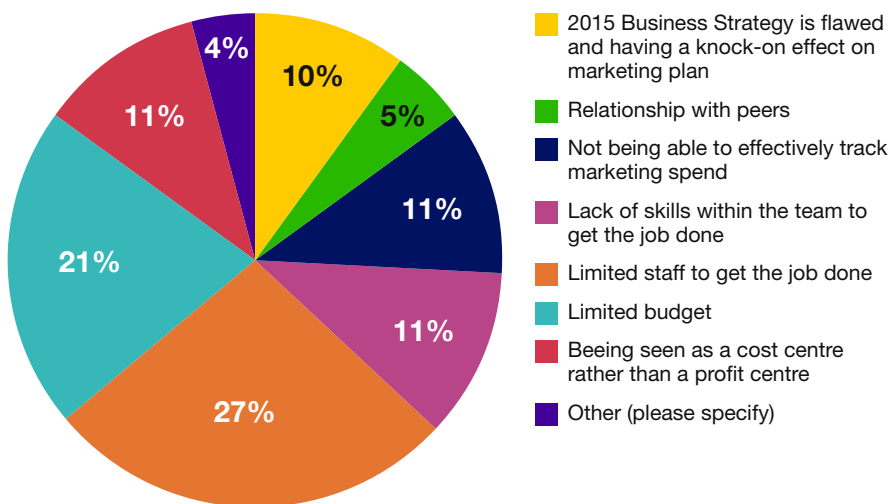
CHAPTER 3

Understanding the pain points and challenges of your peers and customers

Our survey also enquired what challenges marketers were expecting to face in 2015 and what they were planning to prioritise in order to grow.

What keeps marketers up at night?

WHICH OF THE FOLLOWING KEEPS YOU UP AT NIGHT?



As convenient as it is to leave your work worries at your desk, most people have concerns that they bring home with them.

Polling at **37%**, the stand out concern that marketers fear will be keeping them up at night is having **limited staff to get the job done**. To alleviate this concern, managers need to consider how to manage and delegate workload between employees in order to be more effective.

37%
of those surveyed are concerned about limited staff

If time and money can be put towards the problem, then recruitment is a sound investment. Whether this is hiring freelancers or out-of-house staff, or employing new members in-house on a contract basis, acquiring more manpower is the most direct way to tackle this pain point.

Another concern is having a **limited budget**. This is a harder issue to get around, aside from going to C-suite and convincing them why the marketing department needs a bigger budget. Those concerned with having a limited budget mostly had less than 2% (**51%**) or 2.1-5% (**27%**) of company revenue spent on marketing, so understandably have a restricted amount of money to work with.

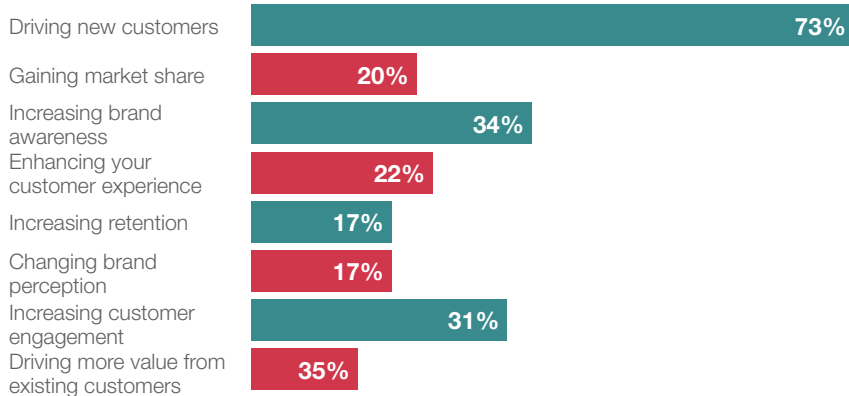
Relationship with peers is not a concern for the majority, with only **6%** citing it as a problem. This is encouraging, as marketing is very much a team sport, with different people having different specialisms, whether e-marketing, content, design, web development, social etc., it means that peers need to collaborate in order to deliver the best service to their clients.

TAKE NOTE: AGENCIES

With limited budget still proving a problem in brand marketing departments, the pressure is on both marketers and external agencies to prove ROI. More and more agencies must be willing to share their clients' KPI's and plan strategically to focus on key growth areas.

What are the priorities for 2015?

WHAT ARE YOUR MAIN PRIORITIES FOR 2015?



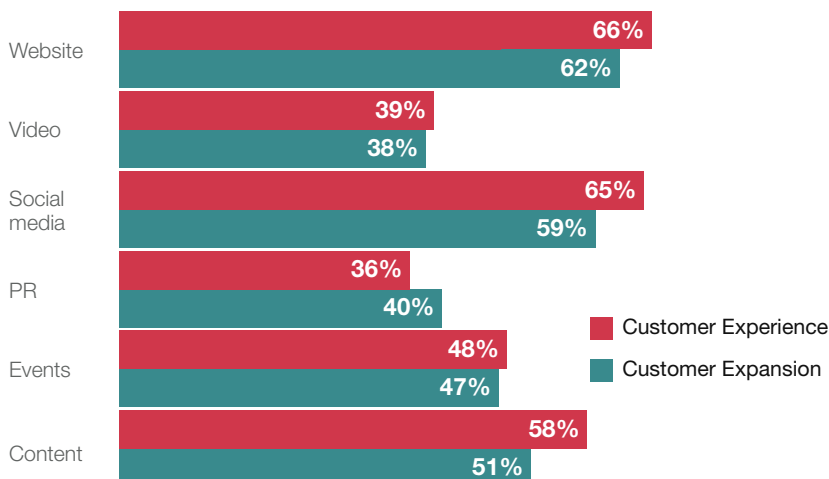
The main priority for marketers going into 2015 is **driving new customers (73%)**. Of those who cited new custom as their priority, **38%** were concerned that they had limited staff to get the job done. This correlates with the main objective of launching a new product for those driving new customers, as new teams or skillsets are often required when incorporating a new product into a company's arsenal.

As an overall priority, **expansion** (driving new customers, brand awareness and gaining market share) ranked the highest at **42%**. **Customer experience** (increasing customer engagement, driving value from existing customers and enhancing customer experience) came in second at **29%**.

This can be achieved by using CRM and automation technologies. Marketers who were employing CRM and Automation software both cited driving new customers as their main priority (**67%** CRM and **69%** automation) as well as looking to drive more value from existing customers (**44%** CRM and **56%** automation).

The marketing channels being used with the aim of driving expansion are nearly the same as those for customer experience:

MARKETING INVESTMENT PRIORITIES: EXPANSION VS. CUSTOMER EXPERIENCE



TAKE NOTE:

ALL AGENCIES & SUPPLIERS

Customer experience and acquisition remain a key focus for marketers, ensure your product or service is demonstrating value based on supporting marketers in these areas.

INTERVIEWS

Q What are your main priorities in 2015?

Ali Moinuddin, CMO



“Our Marketing in 2015 will be totally data-driven. We need to understand how we are spending money and what the ROI is on our marketing efforts. The ability to track our activity and response rates and have visibility on the journey of a prospect from the initial interaction until it closes is invaluable to us.”

Mark Phibbs,
vice-president EMEA Marketing



“2015 will be the year CMOs get serious about data and technology, increasing their influence in the business. With the rise of digital marketing now consuming approximately 30% of marketing budgets in the UK, marketers can track the return on investment on search, display, web interactions, social, email and online video. Predictive analytics and media mix assessment are used by the most savvy marketers to show how X investment will give Y in terms of traffic, conversion and sales.”¹

Simon Michaelides, marketing director



“The future needs to be collaborative. The boundaries between PR and marketing, editorial and advertising and online and offline are increasingly blurring. As CMOs, the onus is on us to establish common objectives and build closer relationships with our peers. This will enable a more coordinated and multi-disciplinary approach to marketing and communication.”²

Anna Holloway,
Online Marketing Consultant



“To significantly grow our inventory of limited edition art via our relationship with some of the world’s best known artists – for existing collectors and new collectors alike. Our members are at the core of everything we do, so we want to personalise their shopping experience as much as possible, whilst maintaining our exceptional customer service as we grow. Ultimately, our aim is to become ‘the leading destination for art globally’.”

Q Where will you be investing in 2015?

Ali Moinuddin, CMO



“It won’t come as a surprise that we are continuing to invest heavily in our digital channels – email, SEO, PPC, social media as well as making sure the analytics are in place. We are shifting a lot of budget around to spend more resources on digital content development and driving down the cost per acquisition through content and not events. We are also investing in the dialogue we have with our prospects and clients, with a focus on PR, content and thought leadership. As we grow to collect more and more data on which channels are influencing sales, this will form the basis of our investment strategy.”

Ro Osborne, Group Head of Marketing



“This year, we will be heavily investing in new data for lead generation. We are looking into investing in list research and building our and cleaning our current database. We want to keep our subscriber and prospect data up-to-date and fresh.”

**Anna Holloway,
Online Marketing Consultant**



“artrepublic.com 2015 is all about change here at artrepublic.com. We are currently working on our new website and re-platforming onto Magento. The artrepublic website was originally born out of a local Brighton-based gallery and there is now a real potential to grow the business throughout the UK and of course all over the world.”

Dan Robbins, VP Corporate Marketing



“Brands are diverting budget away from social platforms and will funnel those dollars toward enhancing owned digital platforms like their website(s), e-mail marketing lists, and mobile apps.” ³

Q What are your pain-points/challenges?

Ali Moinuddin, CMO



We are constantly working on integrating all our systems – Marketing Automation, CRM and web to ensure that we are mapping activity and tracking across all platforms. Another challenge we face making sure our marketing group is equipped with the right skills to drive the team forward. We are acquiring additional digital skills and looking into training our current team to ensure skills are spread across the team.”

Paige O’Neill, CMO



“Most shoppers are already willing to pay more for a better customer experience so retailers will need to make consistency a priority in order to remain competitive. With this consumer demand for quality customer experience at an all-time high, businesses will also need to shift their focus away from collecting mass amounts of big data.” ⁴

Anna Holloway, Online Marketing Consultant



“The main challenges of any small business growing quickly is introducing processes, recruiting the right people, who feel as passionate about its success as we do and essentially getting as many things right as humanly possible! These days we can’t afford to make mistakes...competition is fierce and loyalty is key in the online world.”

“BRAD and ALF databases are an invaluable resource for ABC. The data is easily accessible, up-to-date and accurate. The team are always on hand if we ever need help with anything and are a pleasure to deal with.”



**Lucy Palmer,
Senior Communications
Manager**

CHAPTER 4

Summary

Digital and online are still key marketing channels in 2015, but the emphasis needs to shift to consistent messaging across all channels and strategic distribution of content.

Heavy investment in Automation, CRM and website development demonstrates the importance of customer journey and tracking for marketers this year.

The channels marketers are investing in to improve customer experience and lead generation are much the same – content, SEO, PPC, events, social, etc. Suppliers and agencies must position themselves as experts and thought leaders in their field and share their clients' KPI's in order to drive value out of the relationship. Marketers' budgets are slowly increasing and they are spending on technology and specialist marketing strategies, so the opportunities are out there as long as the supplier or agency fully understands the client and their priorities.

5 key takeaways:

- 1** Lead generation and customer experience are front of mind – and marketers are investing in CRM and Automation to improve the prospect or customer journey
- 2** Tracking the journey from marketing campaign right through to closed deal is vital to prove marketing ROI
- 3** Content is still king, but there are challenges putting it in front of prospects, so consider who it's for and how it's distributed
- 4** Traditional marketing methods, such as direct mail and events, are still powerful but must be integrated with digital campaigns
- 5** Suppliers and agencies can drive growth as long as their USP is clear and aligned with where brands are investing this year

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