# IFP | Insights For Professionals

# THE STATE OF MARKETING REPORT
## INSIGHTS FOR 2019

# INTRODUCTION

The marketing landscape is continually evolving. Combining your own experience and knowledge with insights and direction from other businesses can provide context that expands your own understanding and helps you move forward in a more efficient and productive way.

Whether you already have a comprehensive plan in place, or are completely unprepared for the year ahead, the contents of this report will help you understand where your company fits in the bigger picture, allowing you to plan with more confidence, focus, and purpose.

**In this State of Marketing Report, we will help your business identify:**

· The biggest challenges you'll face in the coming year

· Any significant developments or trends marketers see on the horizon

· How ready marketing departments are for 2019

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# CHAPTER 1 -
# A LOOK AT THE DATA

Insight for Professionals performed market research to collect data and insights from marketing professionals. This provides an excellent overview of the industry and the current challenges they face.

## 1.1 COMPANY SIZES

Medium sized companies are the biggest respondents, making up nearly half of all participants (47%). The volume of enterprise size respondents increased by nearly 8% over 2018, to now account for just over a quarter (26%). Whilst small businesses account for the remaining quarter.

**SMALL**
**27.41%**

**MEDIUM**
**46.95%**

**ENTERPRISE**
**25.63%**
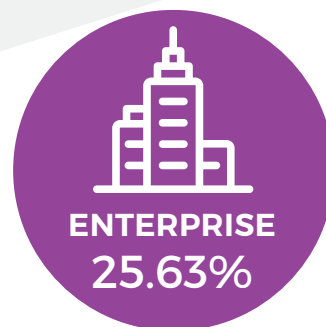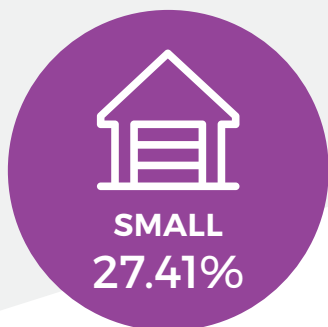
## 1.2 AUTHORITY

Managers are the biggest authoritative category to respond, accounting for 40%, but Influencers are not that far behind at 36% whilst Directors make up the smallest percentage (24%).

**DIRECTOR**
**23.60%**

**MANAGER**
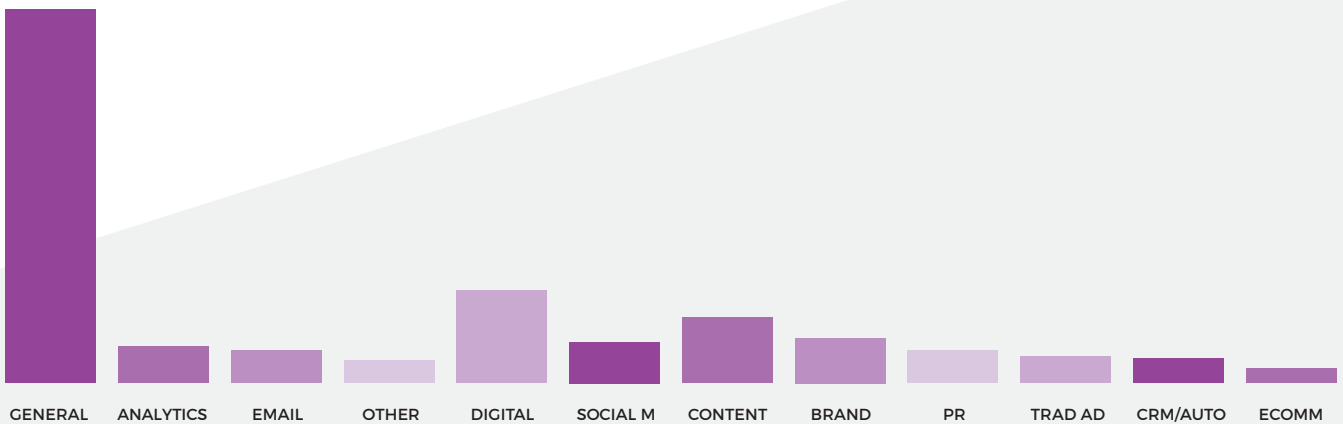**40.86%**

**INFLUENCER**
**35.53%**
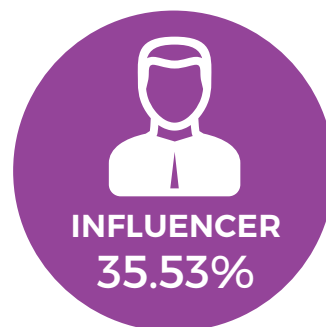
## 1.3 READINESS

Before we start cross-referencing datasets, we want to gain an overall feel for the state of play. Are businesses prepared for whatever 2019 has in store, or are they looking ahead with a sense of panic? If the end of 2018 was a mad-dash, take heart, as only 4% of businesses say they're "100% Ready" for the coming year, but most appear to be well on the way, with just over half (51%) saying they are 75% prepared. More than a third (35%) are half way there, while the remaining 10% are playing catch up or are in need of help.

**MARKET READINESS**

- 1% HELP
- 25% CATCHING UP
- 50% DEPENDS
- 75% GETTING THERE
- 100% READY
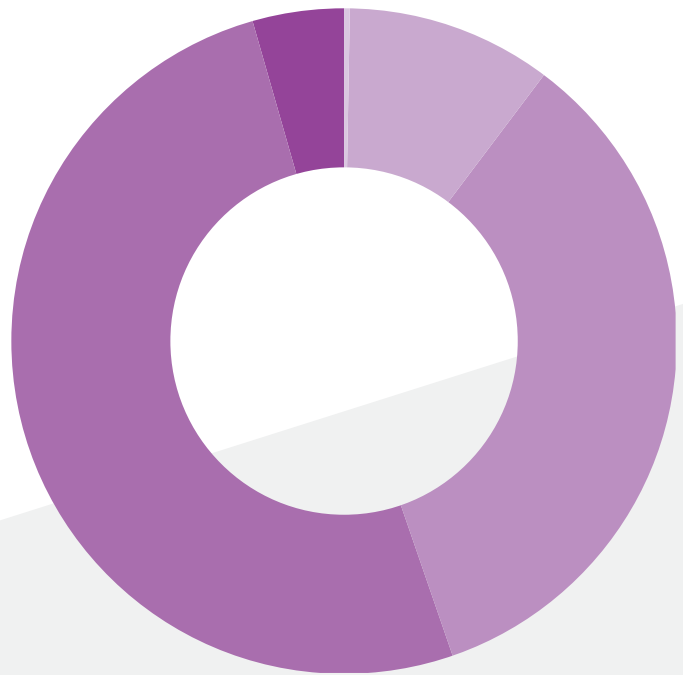
*"Only 4% of businesses say they're "100% Ready" for the coming year, with just over half (51%) saying they are 75% prepared."*

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# I'M A SPECIALIST IN...



| GENERAL | ANALYTICS | EMAIL | OTHER | DIGITAL | SOCIAL M | CONTENT | BRAND | PR | TRAD AD | CRM/AUTO | ECOMM |

## 1.4 THE SPECIALISMS OF OUR RESPONDENTS

The biggest single answer to this question is 'A bit of everything', accounting for nearly half (46%) of all respondents. Digital is the only other specialist category to reach double figures at just (12%). Only three other categories account for more than 5% of respondents; branding (6%), social media (5%), and content (8%). People who consider themselves experts in email marketing, analytics, PR, traditional advertising, eCommerce, or CRM, account for less than 5% per specialism.

This highlights how multi-talented modern marketers are often working in several different areas to maximize their efforts. Directors are the biggest authority to state their specialism as 'A bit of everything' (61%), with managers the second highest (47%). This is most likely down to the necessity to lead teams of people from a variety disciplines whilst Influencers – the lowest amount of those specializing in 'A bit of everything' – will have a particular area of focus within their team.



**A BIT OF EVERYTHING**
# 46%



**DIGITAL SPECIALIST**
# 12%

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# CHAPTER 2 - **TRENDS**

The marketing world is no stranger to trends, and with technology consistently providing an increasing array of options, marketers need to understand what trends are worth investing in. Here is a brief analysis of some of the biggest trends for 2019.
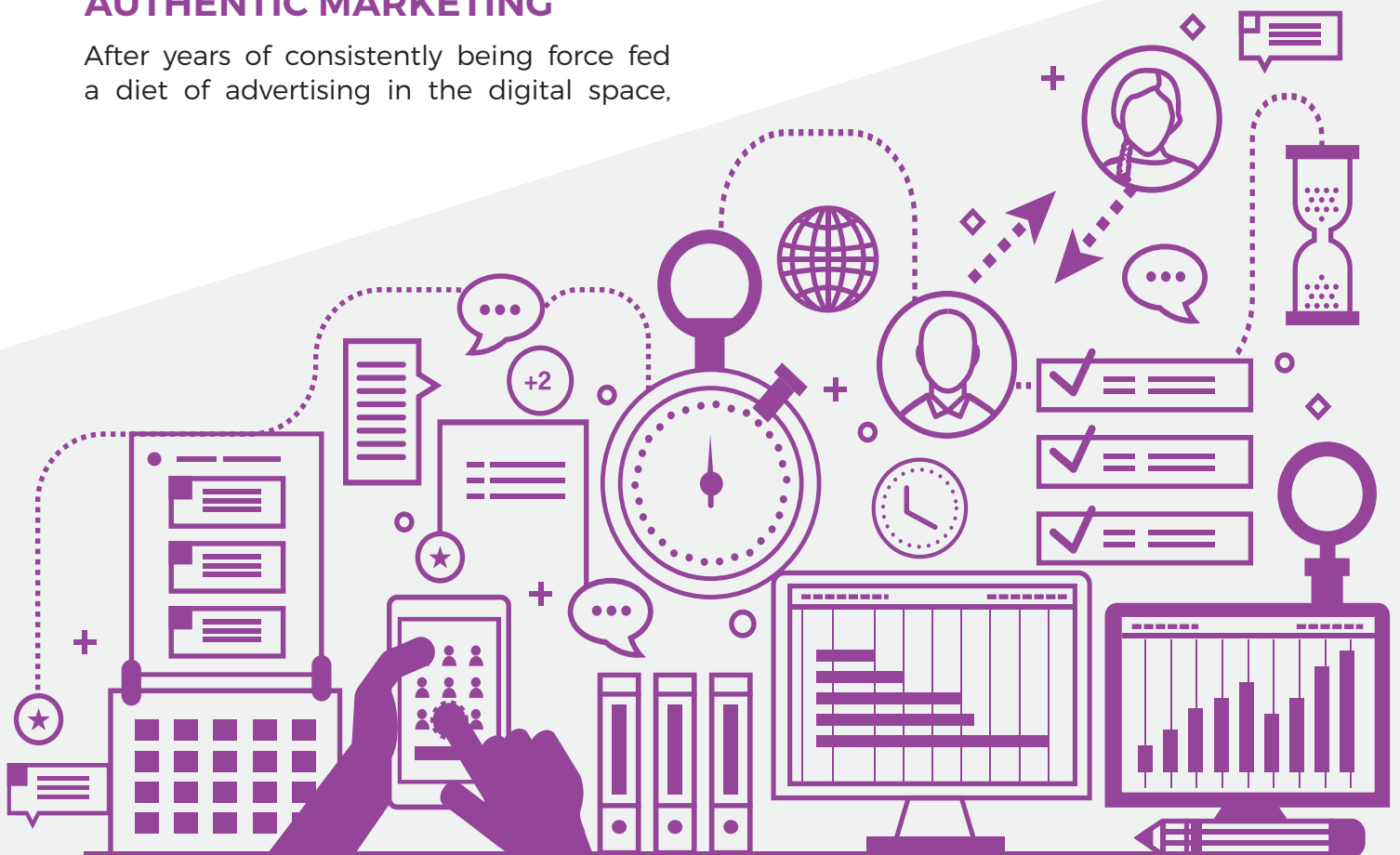
## AI AND CHATBOTS

Advancements in AI have taken chatbots to a completely new level. We're rapidly approaching a time where distinguishing between a human or AI response will be virtually impossible. Companies are starting to use NLP (Natural Language Processing) combined with machine learning algorithms to handle many customer service and social media responses. The potential cost savings for businesses, and faster service for customers, both make the use of AI powered chatbots a viable option for most companies.

## AUTHENTIC MARKETING

After years of consistently being force fed a diet of advertising in the digital space,

marketers are turning to more holistic methods of getting their brand out there. They are trying to add value to their customers in more authentic ways, so they are not an intruding force, but a welcome participant in the customer's digital world. When performed successfully, this approach changes the mind-set of your customer base. The 'us and them' becomes 'they're one of us'. Trying to help your customers achieve their goals can add genuine value to their experience of your brand, which often leads to organic growth.

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## BLOCKCHAIN

Although originally developed as a decentralized tool for Bitcoin transactions, the speed and versatility of blockchain have piqued the interest of other sectors. It has the potential to simplify business operations while providing greater transparency, cost efficiency, and accuracy. However, there are still some concerns regarding the overall security of a decentralized system, but with demand rapidly growing for blockchain solutions, these regulatory hurdles are likely to be addressed sooner rather than later.

## DIGITAL BODY LANGUAGE

Digital body language is the natural extension of the increased interest in CX (Customer experience). Tracking a user's digital body language and making your customer experience reactive can increase engagement with your customers in real time through accurate personalization. Changes in our mood and needs change our perception of the service we receive, and a reactive digital body language that adapts in real-time will be the future of always meeting a customer's expectations.

## INTERACTIVE CONTENT

Interactive content is becoming an increasingly popular tool to educate, engage, and entertain customers. Content is still a very effective form of marketing, but in a world where your customers spend a considerable amount of time on social media platforms, truly engaging content is no longer merely to be stared at. Interactive content changes the dynamic of your relationship to a two-way conversation that enables you to provide a more personalized and focused experience.

## MARKETING AUTOMATION

Marketing automation has the potential to take the ever-growing load off marketers' shoulders. With the plethora of digital channels available and a recent resurgence of email marketing, the need to be targeted, analyze results, and respond promptly, all become more vital to your campaign's success. Marketing automation is dealing with increasingly complex repetitive tasks and in doings so is generating more leads, taking action driven by data analysis, and dealing with post-sale activities.

## MICRO-INFLUENCER MARKETING

People influence people. It really is that simple. To tie in with the increasing search for authenticity, micro-influencer marketing doesn't rely on global superstars to promote your brand, as these are often obviously paid sponsorships. Instead, micro-influencers have a smaller following with higher levels of engagement and rely on more authentic marketing methods by being active in all the right places to help spread your message to your target audience.

> *"Interactive content changes the dynamic of your relationship to a two-way conversation."*

## PROGRAMMATIC AND ADTECH

The algorithms used in programmatic AdTech allow online advertisers to target their ads even more precisely. In a world where ad space is constantly trying to predict our needs, programmatic AdTech uses a range of defined criteria to ensure the ads purchased provide the maximum amount of bang for your buck. Once everything is set up correctly the whole process is automated, allowing you to leave the algorithms to do their job while you concentrate on other tasks.

## SNACK ADS

The digital world has changed the way we consume information. From your Instagram feed to twitter, we now receive information and interact in bite size chunks. Marketers and companies have been playing with different ways to feed us information and engage us in increasingly shorter but meaningful ways. YouTube has introduced 6-second ads, which represents a considerable reduction over the more traditional ads with the option to skip after 5-seconds. Creating content specifically with snack ads in mind can help to ensure your whole message is seen with the minimum amount of intrusion.

## STORIES AND VERTICAL CONTENT

Many of the apps we use every day are already designed to be used vertically, so when Instagram introduced the story feature with a vertical layout, users were quick to adopt this mode of viewing. A study on mobile phone usage shows they're held upright for over 90% of the time they are in use, so vertical content feels much more natural for users. Facebook even recently announced at their F8 Conference

that stories is on the way to replacing the news feed as the primary way people share their media, making vertical the preferred option by many people, and therefore, the best way for marketers to communicate on a mobile device.

## 2.1 ANALYSIS

Depending on a company's sector and marketing budget, a variety of these trends will play a crucial role in the success stories of 2019. The savvy marketers will implement new ways to engage their target audience while reducing the amount of repetitive work that will need to be done.

There is lots of crossover between varying trends, with the overriding theme appearing to be based around CX, by creating engaging and personalized content and providing a better customer service. Chatbots powered by more advanced AI, authentic marketing, interactive content, and micro-influencers are all essentially trying to humanize marketing efforts and provide a better experience for the customer.

Of all the trends listed, interactive content (46%), marketing automation (42%), and stories and vertical content (41%) have more than a 40% interest from respondents, while snack ads is the least thought about trend at only 4%.

Stories appear to be rapidly overtaking video as the best way to be seen on social networks. The growing preference for stories will also fuel the creation of more vertical marketing content. Authentic marketing is the fourth highest area of interest (29%), which will be closely linked to social networks, and stories in particular.
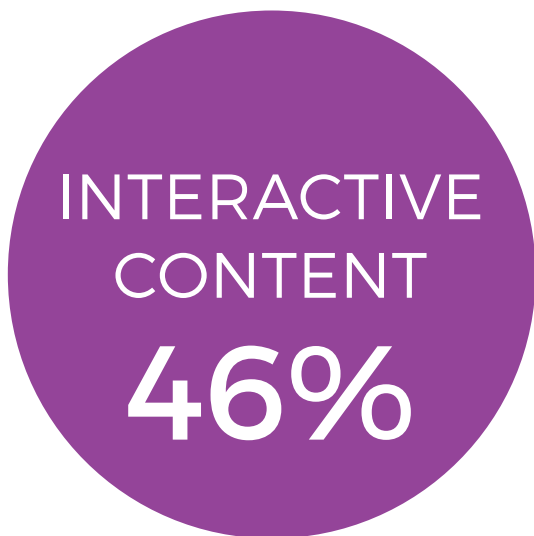
Another common theme to emerge is the leveraging of technology to cut costs and save time. The introduction of AI and marketing automation could save

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businesses considerable amounts of money, greatly reduce the number of employees required, and provide a quicker service to the customer. Of course, this has always been the case, but we are now at a crossover point where you can implement chatbots (24%) and automation without any drop in the quality of the service provided.
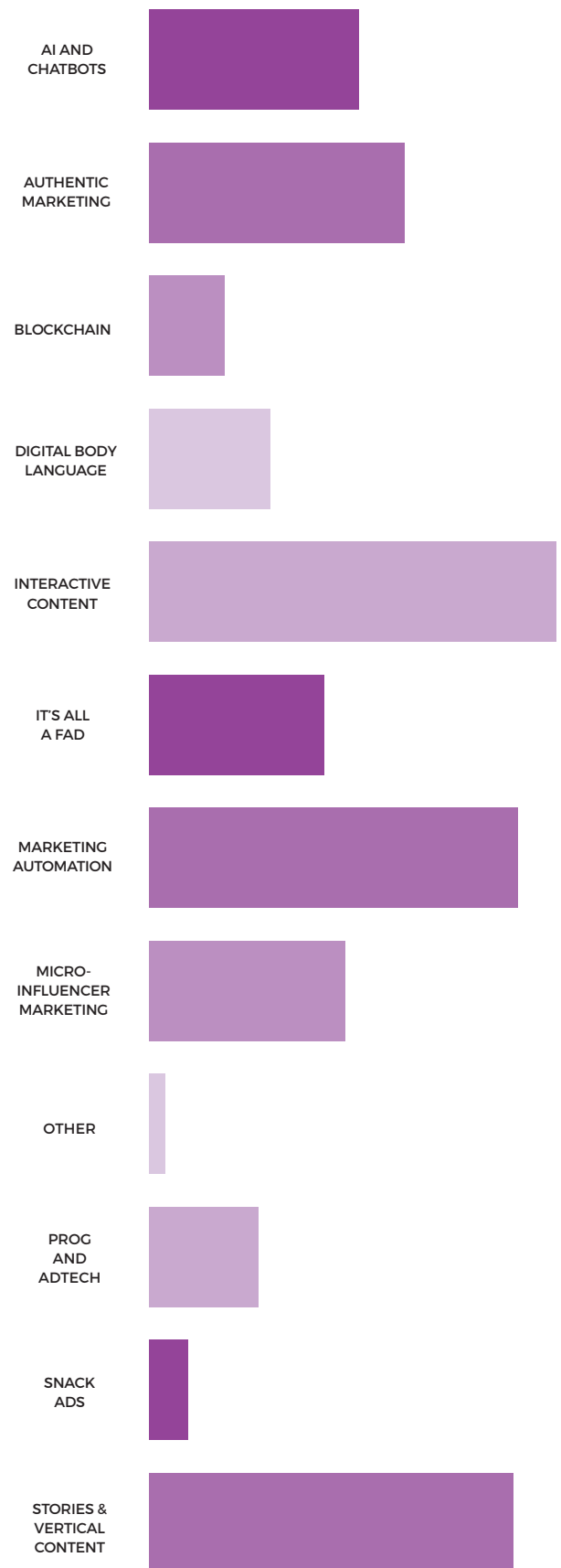
Digital body language (14%) and blockchain (8%) both scored low. Whilst blockchain is still a relatively new technology, it might be a while before businesses are confident enough to start moving in that direction. An increase in adoption and improved regulation will negate some of the perceived risks and help to make it a more attractive proposition.

However, 20% of marketers think all the trends are just a fad and companies should concentrate on the more traditional fundamentals of marketing.

For Germany, the top three trends include interactive content (52%), marketing automation (48%) and stories and vertical content (48%). Interestingly, both the UK and the USA reflect these priorities. And while this follows a similar order of popularity in France, there is one significant difference: interactive content (56%), stories and vertical content (44%) and micro-influencer marketing (28%).

## INTERACTIVE CONTENT 46%

## TRENDS I'M INTERESTED IN...

AI AND CHATBOTS

AUTHENTIC MARKETING

BLOCKCHAIN

DIGITAL BODY LANGUAGE

INTERACTIVE CONTENT

IT'S ALL A FAD

MARKETING AUTOMATION

MICRO-INFLUENCER MARKETING

OTHER

PROG AND ADTECH

SNACK ADS

STORIES & VERTICAL CONTENT

## 2.2 COMPANY SIZE VS TRENDS

Perhaps unsurprisingly, the interest in different trends varies depending on the size of the company. Smaller companies are more interested in utilizing social media resources such as stories and vertical content (45%) and micro-influencer marketing (26%).

Medium and enterprise size companies are less restricted by their marketing budget and show more interest in trends that improve the CX.

Enterprise size businesses are the most interested in technologies that require dedicated technology, such as marketing automation (48%) and AI and chatbots (31%), as these represent the biggest initial outlay, which is less of an issue for larger companies with bigger budgets.

## TRENDS I'M INTERESTED IN...

- ENTERPRISE COMPANIES
- MEDIUM COMPANIES
- SMALL COMPANIES

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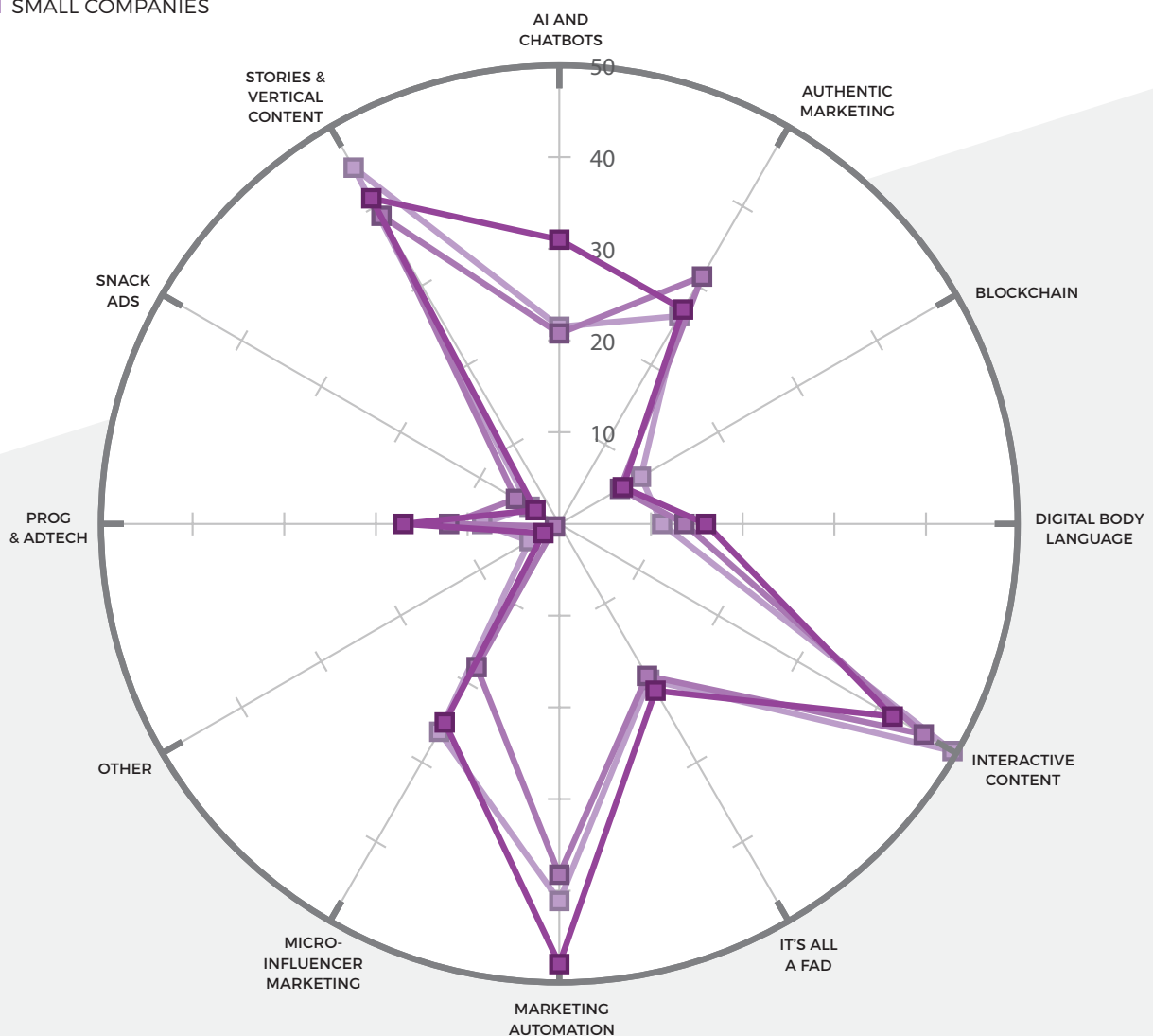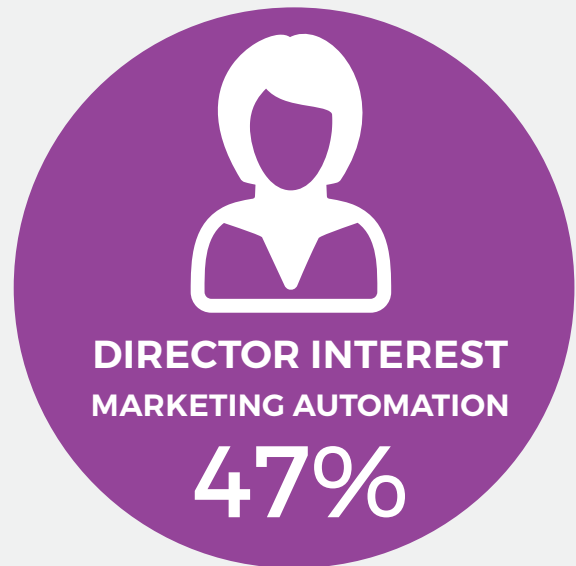
## 2.3 AUTHORITY VS TRENDS

Interactive content and marketing automation are the joint leaders across all levels of authority, with stories and vertical content a close second. Managers are particularly interested in the potential of stories and vertical content (47%) as the potential to deliver better targeted content and boost strategies becomes apparent.

Authentic marketing is the most popular in the influencer category (32%) which could be attributed to a younger age group where marketing trends are viewed more like consumers.

Directors have a particular interest in marketing automation with almost half (47%) showing this as a key trend for the coming year. As budgets become tighter and the pressure to deliver ever greater, the promise of streamlined activities with a potential higher output through automation is definitely something they will want to focus on.

When reviewing authority vs trends across different regions, it's interesting how this varies depending on language. For primarily German-speaking countries such as Austria, Germany and Switzerland, over half of Directors are interested in AI and chatbots (69%), marketing automation (63%) and interactive content (56%).

For countries who mainly speak English, such as the UK and the USA, Directors are seen to have a broader interest in topics with marketing automation (43%), interactive content (42%) and stories and vertical content (39%) being the most popular.

**DIRECTOR INTEREST**
MARKETING AUTOMATION
**47%**

**MANAGER INTEREST**
STORIES & VERTICAL CONTENT
**47%**

**INFLUENCER INTEREST**
AUTHENTIC MARKETING
**32%**

# CHAPTER 3 - **CHALLENGES**

We have seen a shift in the predicted challenges since last year, with showing ROI being replaced by growing brand awareness (46.67%) as the main challenge ahead. Growing brand awareness climbed from third spot last year, highlighting a change of focus within marketing. Yet, generating quality leads (43.59%) remains the second biggest challenge for marketers.

Modernizing the methods used (38%) and showing ROI (39%) are the next biggest challenges and the only other two to score over 30%. When compared to the State of IT report, it's no surprise that modernizing the methods used is a hindrance for marketers as IT identifies upgrading legacy systems as the second biggest challenge – without the right systems and technology in place, marketers are unable to modernize their methods.

Meeting customer expectations (28%) and customer retention (29%) are both perceived as key challenges by a significant portion of the marketing audience. As many of the upcoming trends are concerned with the customer experience, marketers may well view customer-related activities as a challenge if they have yet to get this element of their marketing strategy right. If they're able to adopt these new CX-focused trends in 2019, we may very well see these challenges dip in priority in 2020.

## 3.1 AUTHORITY VS CHALLENGES

The challenges vary slightly depending on the role of the authority. Directors are more concerned with the overall health of the company, with generating quality leads being the biggest challenge (47%) they foresee in the year ahead. Managers,

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# MARKETING CHALLENGES
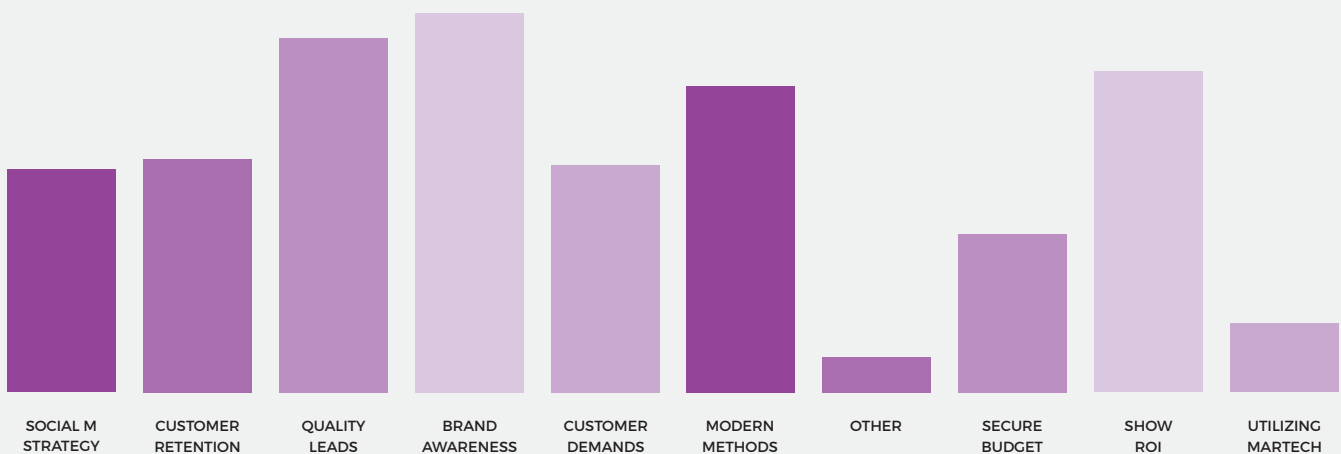


however, are more concerned with showing ROI (40%) and generating quality leads (42%), both of which require demonstrating the worth of the strategies they implement throughout the year.

The standout difference for Influencers is the higher concern they have for modernizing their methods (40% of Influencers see this as a key challenge, compared to 39% of managers and just 32% of Directors). On the other hand only 35% Influencers see Showing ROI as a challenge (compared to 41% of Managers and 43% of Directors). These reflect the concerns of someone more invested in the social aspects of the marketing strategy, and display an adaptability of someone with less responsibility as the opportunity to test and develop their methods over proving their value is much more appealing.

When comparing the differing priorities for each authority level between the UK and USA, there are some distinct differences. Whilst 21% of Managers are concerned about modernizing methods and an additional 23% are wanting to focus on showing ROI in the UK, in the USA these figures drop considerably to account for just 11% concerned about modernizing methods and 13% showing ROI.

## 3.2 COMPANY SIZE VS CHALLENGES

The company size impacts priorities in a predictable way. For Enterprises, utilizing MarTech (18%) was the least selected challenge across the board, with creating a successful social media strategy (23%) coming in second to last. Growing brand awareness and modernizing methods were both above 40%, reflecting a continuation of the pattern we saw when analyzing by authority.

Small and medium companies show more interest in areas directly relating to their immediate growth. 47% of medium size companies and 43% of small companies highlighted generating quality leads as a higher priority than enterprise size companies (38%). While smaller companies seem to focus more heavily on their immediate survival and growth, enterprise size companies seem more concerned with longer term planning, highlighting modernizing their methods (44%) and growing brand awareness (44%) as the two key challenges.

# CHAPTER 4 - **2019 READINESS**

While developments often happen within the year, preparation is still crucial. Much like the new technology that's working in real time, you have to have a dynamic enough attitude to be able to adjust to new developments and analysis as the information becomes available.

With 51% of respondents feeling like their strategy for 2019 is at least 75% complete, it's interesting to reflect on how the readiness changes across different authorities, specialisms, sizes, and in relation to the variety of challenges we all face.
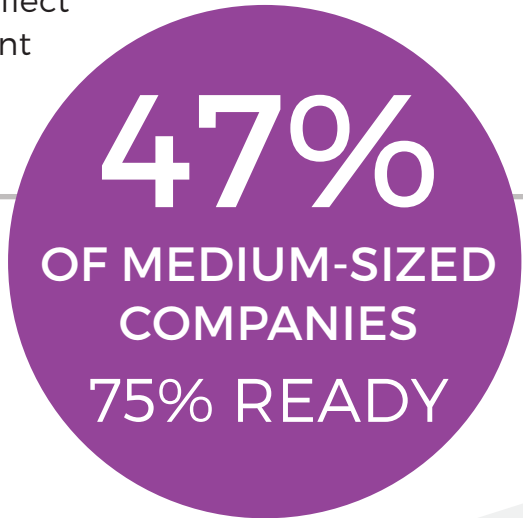
## 4.1 COMPANY SIZE VS READINESS

Medium-sized companies are the only business type with less than half (47%) of respondents saying they are "75% Ready" for the year ahead. Over a third (34%) of medium sized companies say they are 50% ready, which means that just over 85% of all medium-sized companies feel ready for the year ahead.

**47%**
OF MEDIUM-SIZED COMPANIES
75% READY

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# COMPANY SIZE BY MARKET READINESS

**COMPANY SIZE VS READINESS**
- 1% HELP
- 25% CATCHING UP
- 50% DEPENDS
- 75% GETTING THERE
- 100% READY



ENTERPRISE      MEDIUM      SMALL
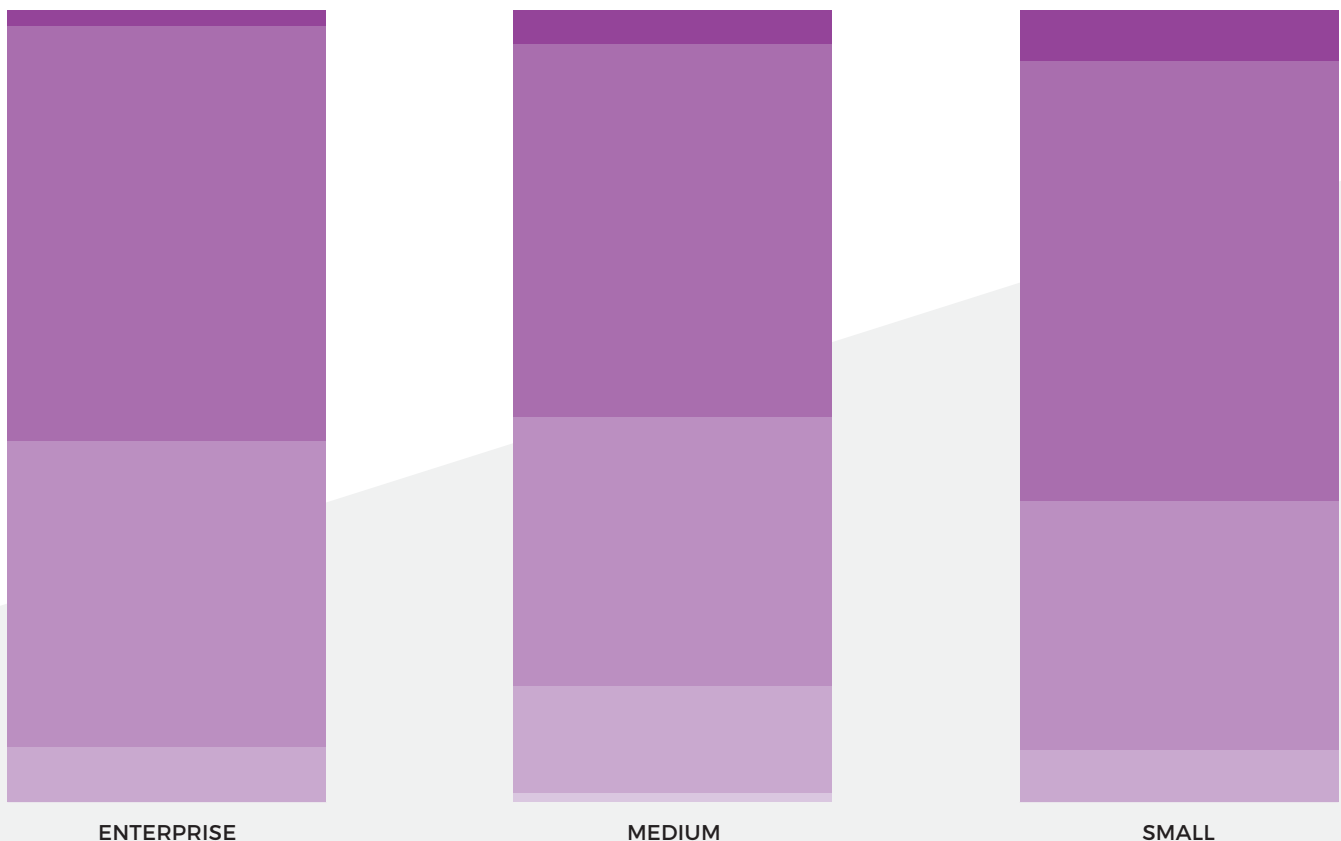
With no small companies saying their only 1% ready (and in desperate need of help) and also accounting for the largest percentage (6%) of companies that are ""100% Ready"", 93% of small businesses are at least 50% ready for 2019.

In the USA, the number of small businesses who are "100% Ready" increases to 8%. Yet in France and Germany, this figure drops to 0%.

93% of Enterprise size companies state they are also at least 50% ready for 2019 with over half (52%) saying they're at least "75% Ready".

However, it seems that medium-sized businesses are struggling the most this year with just 85% at least 50% ready, yet they take the lead with the largest percentage (4%) feeling "100% Ready".

> "In the USA, the number of small businesses who are "100% Ready" increases to 8%. Yet in France and Germany, this figure drops to 0%."

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## 4.2 AUTHORITY VS READINESS

Directors are the most confident authority with 55% saying they are "75% Ready". For the same category exactly 50% of Influencers and just over 49% of managers say they are "75% Ready". Directors are also the only authority not to have a selected the "HELP!" category, indicating how significant planning and strategy is within their roles.
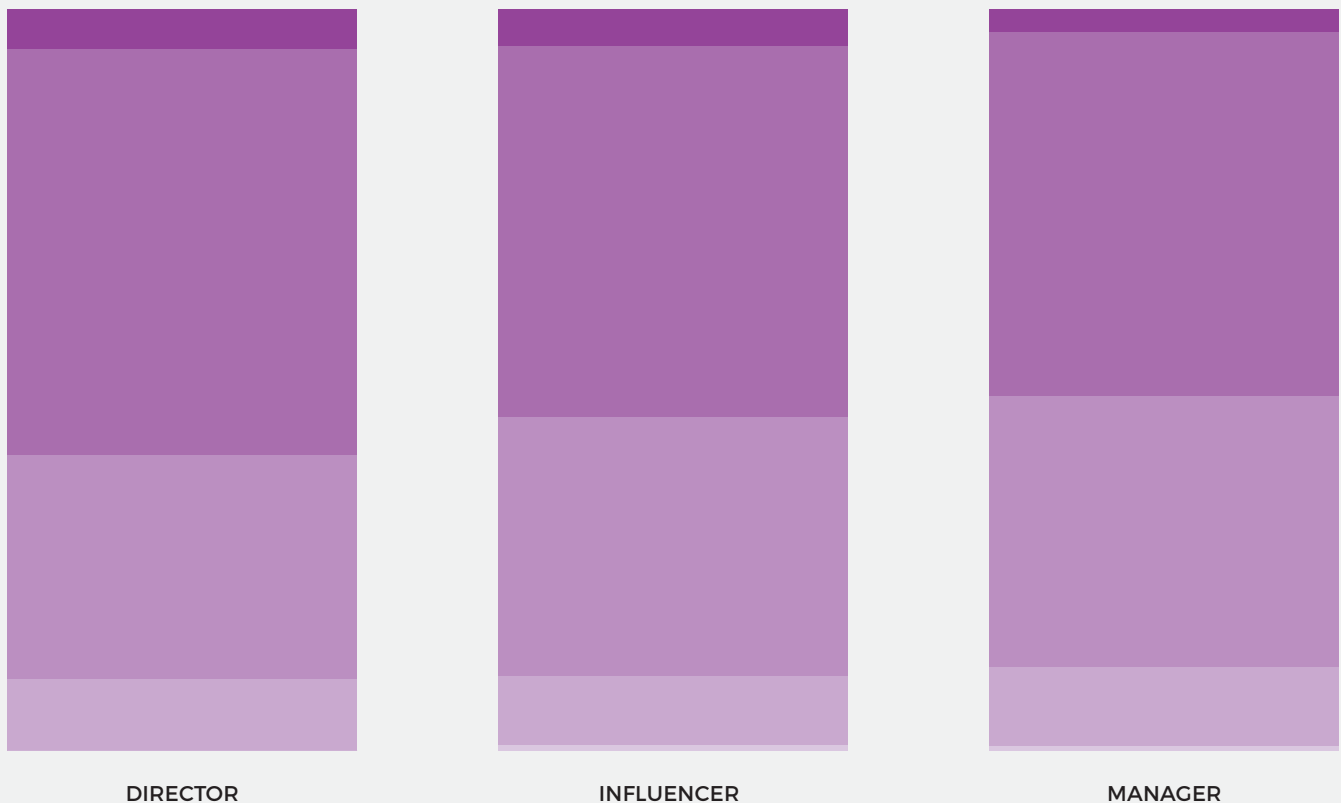
Directors also had the highest number of respondents say they are "100% Ready" (5%), closely followed by Influencers (5%), and then managers who are the least optimistic (3%).

*"Directors are the most confident authority with 55% saying they are 75% Ready."*
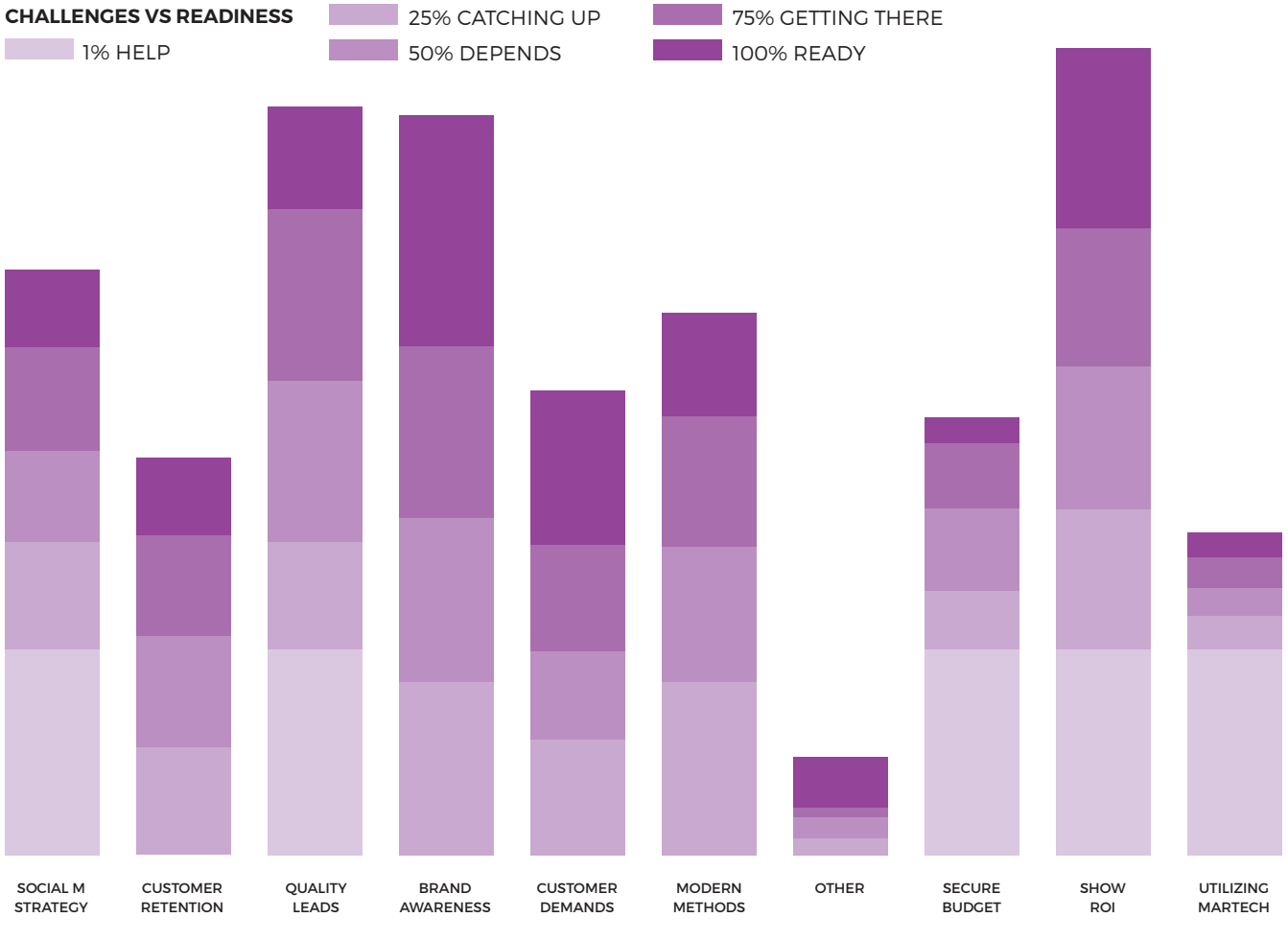
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## AUTHORITY VS MARKET READINESS

**AUTHORITY VS READINESS**
- 1% HELP
- 25% CATCHING UP
- 50% DEPENDS
- 75% GETTING THERE
- 100% READY



| DIRECTOR | INFLUENCER | MANAGER |

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# CHALLENGES VS READINESS



**CHALLENGES VS READINESS**
- 1% HELP
- 25% CATCHING UP
- 50% DEPENDS
- 75% GETTING THERE
- 100% READY

Categories: SOCIAL M STRATEGY · CUSTOMER RETENTION · QUALITY LEADS · BRAND AWARENESS · CUSTOMER DEMANDS · MODERN METHODS · OTHER · SECURE BUDGET · SHOW ROI · UTILIZING MARTECH

## 4.3 CHALLENGES VS READINESS

The respondents for 2019 have shown an interesting shift in the readiness for different challenges. One of the biggest challenges indicated in last year's report was growing brand awareness. This year, 23% of respondents say they're "100% Ready" for this challenge, which makes growing brand awareness the most prepared for challenge in 2019.

Of those who are just "25% Ready", modernizing the methods used in their marketing was one of the key challenges as stated by over half (54%) of those in this readiness category. This is highly reflective of how ready they feel for the year ahead as

outdated methods can make preparation and planning almost impossible. In Germany, this increases to account for 71% of those who are only "25% Ready" feel this is their biggest challenge.

**23%**
100% READY
FOR BRAND AWARENESS

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IFP is a global thought leadership brand dedicated to providing the latest insights in marketing. Throughout Q1 2019, we will post additional blog posts focused on defining and understanding each of the technologies and trends discussed in this research.

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# GLOSSARY OF TERMS

**AUTHORITY** –

Referring to the level of authority an individual has within a company in terms of purchasing. This is broken down into three categories: Director, Manager and Influencer.

**ENTERPRISE BUSINESSES** –

In the US, more than 5,000 employees. Everywhere else, more than 1,000 employees.

**MEDIUM-SIZED BUSINESSES** –

In the US, between 250-5,000 employees. Everywhere else, between 100-1,000 employees.

**SMALL BUSINESS** –

In the US, less than 250 employees. Everywhere else, less than 100 employees.

**READINESS** –

Referring to how prepared IT professionals feel for 2019.

**SPECIALISM** –

The area of expertise as stated by the respondents.

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