

the 2018
State of branding
report

table of contents

Introduction - p. **4**

Key findings - p. **8**

Demographics - p. **9**

Brands want to personalize but struggle to find the right tech - p. **11**

Voice assistants dominate tech investments - p. **14**

Influencer marketing is still hot - p. **18**

Brand activism is on the rise - p. **21**

Marketing teams are hiring more tech talent - p. **24**

"Consumer expectations have increased tenfold. Not only do consumers demand highly personalized digital experiences, they also want brands to influence the cultural and social issues in society."

State of branding

Welcome to OnBrand and Bynder's 2018 State of Branding Report. Together with Survata, we interviewed 504 marketing decision-makers on their goals, challenges, and priorities for the new year. Our report will provide you with an in-depth look at the current state of brand marketing and give you a glimpse into where it's heading in the future.

While the digital landscape has revolutionized many industries, few have changed as drastically as marketing.

Faced with new technologies, a multitude of channels, and a wealth of data at their disposal, marketers are under increasing pressure to get to grips with the digital landscape in order to retain their edge in a competitive climate.

Moving up two places since last year's report, customer experience is the top priority for marketers in 2018. But in order to deliver personalized and targeted experiences, brands need to have a seamless tech ecosystem in place.

With this in mind, it's no wonder why the top challenge going into 2018 is identifying the right technologies for their needs.

If 2017 taught us anything, it's that consumer expectations are rising, but brands are often lagging behind. And it's not just in the digital space. Nowadays, brands are expected to contribute to, and even influence, the cultural and social issues in society. Brands that remain silent risk falling out of favor with consumers.



L.

Brand Campaign Manager

In the following pages, we'll present the 5 key findings from our study, and how we expect them to shape the industry in 2018.

methodology

The survey was conducted by Survata, an independent research firm based in San Francisco. Survata interviewed a total of 504 marketing decision-makers at organizations based in the United States and the United Kingdom. The survey period was between January 30, 2018 and February 12, 2018.



L.
Chief Marketing Officer

key findings

Brands want to personalize but struggle to find the right tech

89% of respondents agree that emerging technologies play a critical role in developing an engaging brand experience. However, 90% struggle to identify the right technologies to serve as an extension of their brand.

Brand activism is on the rise

79% of respondents say that social and cultural issues will play a significant role in their branding and marketing strategy in 2018, while 36% are excited about exploring the trend of brand activism and cause advocacy.

Voice assistants dominate tech investments

40% of marketing decision-makers will invest in voice assistants in 2018. 39% are developing integrations that run through platforms such as Facebook, Alexa, and Siri, as well as standalone solutions that run on company websites or apps.

According to our respondents, the tone of a voice assistant is more important than the gender, although 54% of marketers would still prefer a female voice assistant. When implementing an AI-powered solution, 75% of respondents agree that ethical development—in which the solution is built by diverse teams and unbiased data sets—is a top priority.

Influencer marketing is still hot

While the jury is still out on the effectiveness of influencer marketing, 79% of marketing decision-makers will invest in influencer marketing this year, with 43% planning to invest more, and 22% venturing into the market for the first time.

Marketing teams are hiring more tech talent

With customer experience being a top marketing priority in 2018, 53% of marketing managers will be hiring technical talent such as experience designers and developers. 34% will bring on data scientists to their teams, while 55% will hire more creative talent.

demographics

Role

Sole decision-maker 40%
Share decision-making
responsibility 60%

Country

United Kingdom 50%
United States 50%

Company Size

500-999 18%
1,000-1,999 23%
2,000-10,000 34%
More than 10,000 25%

Industry

Consumer Products 12%
Education 12%
Financial Services 11%
Healthcare and Medical 11%
Information Technology and
Services 11%
Other 8%
Industrial and Manufacturing
6%
Nonprofit/Government 6%
Marketing/Design Agencies
5%
Telecommunications 5%
Travel and Tourism 4%
Ecommerce 2%
Media and Publishing 2%
Staffing and Recruiting 2%
Research 1%
Software 1%
Sports and Recreation 1%



A.

Executive Creative Director

brands want to personalize but struggle to find the right tech

It's an understatement to say that the marketing technology landscape has grown. It has, in fact, blown up. From influencer marketing platforms to retail technology, the number of logos on Scott Brinker's Martech supergraphic has **increased by 40%** in just one year.

56% of respondents are planning to personalize their marketing this year, and will need to turn to tech to do so. But the top challenge for marketers going into 2018 is "identifying the right technologies for our needs". Interestingly, 89% of respondents agree that emerging technologies play a critical role in developing an engaging brand experience, but 90% struggle to identify the right technologies to serve as an extension of their brand.

Consumers expect highly personalized shopping experiences from retailers and are willing to spend more money when brands deliver targeted recommendations. According to **a study by Segment**, 44% of consumers say that they will likely become repeat buyers after a personalized shopping experience.

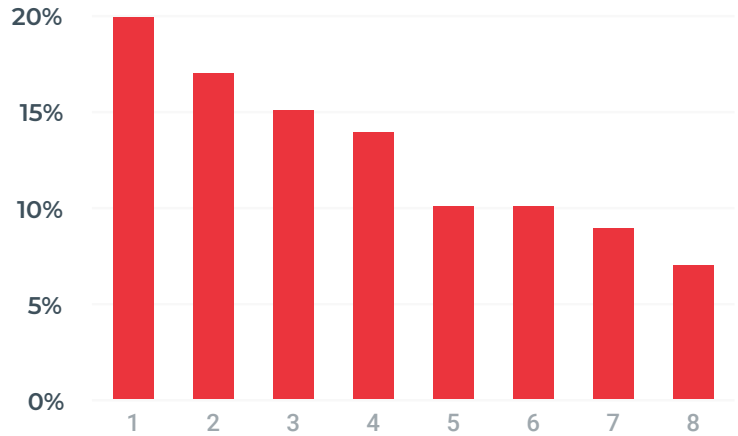
Consumer expectations are rising, but brands are struggling to meet them. The two-fold challenge facing marketers today is how to deliver relevant and consistent customer experiences across all channels, while filtering through the clutter of the rapidly evolving marketing technology landscape.

For retailers in particular, transactions are no longer limited to a brand's website or online product catalog, but extend to a number of digital touchpoints or storefronts, such as Facebook and Instagram ads. In this digital space, customer experience is key. But in order to deliver personalized and targeted experiences, brands need to have a seamless tech ecosystem in place to deliver the right message at the right time.

In reality, however, most organizations are still at an early stage in the marketing maturity curve and the task of navigating the marketing tech landscape is a daunting one. But, when done right, marketers are able to get better customer insights than ever before, and deliver consistent and personalized experiences across all channels.

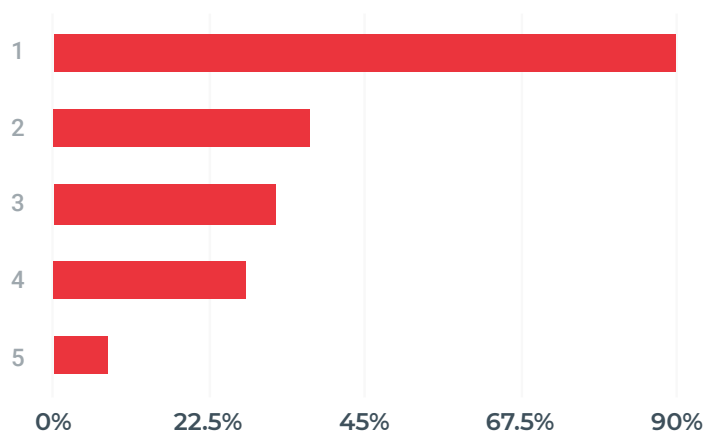
Biggest marketing challenges going into 2018

1. Identifying the right technologies for our needs 20%
2. Securing enough budget 17%
3. Adapting to changing consumer behaviors 15%
4. Ensuring all content is aligned with brand guidelines 14%
5. Ensuring brand safety 10%
6. Hiring top talent 10%
7. Proving the ROI of our marketing activities 9%
8. Getting actionable insights from data 7%



Top challenges when incorporating new technologies into brand strategy

1. Identifying the right technologies to serve as an extension of our brand 90%
2. Securing enough budget 37%
3. Bringing innovations to market before competitors 32%
4. Internal adoption 28%
5. No challenges 8%





S.
Marketing Strategist

voice assistants dominate 2018 tech investments

Are we on the brink of a voice-enabled world? **Gartner** predicted that 30% of our interactions with technology will happen via conversations with smart machines by 2018. And that mainstream adoption will take place at the turn of the century. It's still early days to see if voice-activated search will be the next big thing, or the next big flop, but if the findings prove anything, it's that marketing decision-makers are doubling down on voice in 2018.

While mobile apps (68%) will be the biggest tech investment in 2018, voice assistants (40%) came in at a close second. So why are marketers shifting towards voice? According to our respondents, customer experience is the number one motivation for investing in emerging technologies such as voice assistants.

Gartner predicts that by 2021 early adopter brands that redesign their websites to support visual and voice search will increase digital commerce revenue by 30%. If this prediction comes true, it makes sense for brands to capitalize on this consumer shift as early as possible. When it comes to strategy, the majority of respondents (39%) are developing integrations that run through platforms such as Facebook, Alexa, and Siri, as well as standalone solutions that run on company websites or apps.

With voice assistants dominating tech investments, more and more brands will need to ask themselves: "what voice represents my brand?" The rise of voice technology has turned the discussion of a brand's voice from metaphorical to physical, and brands need to consider the delicate politics of gender, personality, and accents.

When branding faceless technologies like voice assistants, the three most important factors for our respondents are: "tone of the assistant", "speed at which the assistant speaks" and "accents and personas". While "gender of the assistant" was ranked as the least important, 54% of marketers would still prefer a female voice assistant.

Brands will also need to consider the ethical development of these solutions, and avoid bias in the process. In fact, 75% of respondents agree that when implementing a chatbot or AI-powered solution, ethical development—in which the solution is built by diverse teams and unbiased data sets—is a top priority.

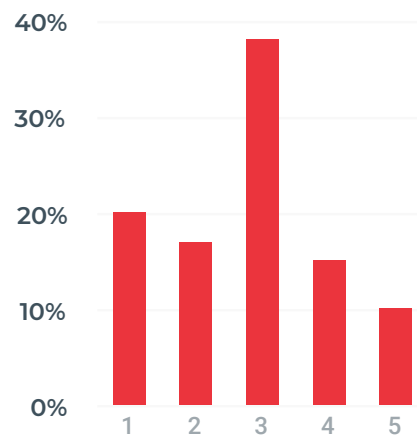
Technologies to invest in for marketing purposes in 2018

1. Beacon technology 11%
2. Chatbots 25%
3. Voice assistants 40%
4. Augmented reality 24%
5. Virtual reality 37%
6. 360 video 33%
7. Biometrics technology 23%
8. Artificial intelligence 34%
9. Mobile apps 68%
10. Wearable apps 26%
11. None of the above 9%



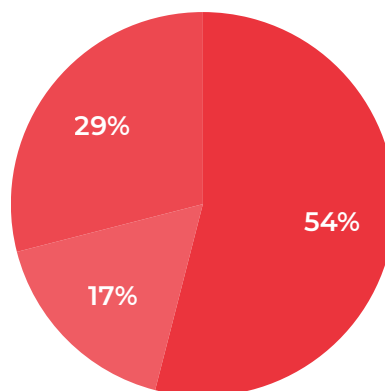
Number one motivation for investing in emerging technologies

1. Brand development 20%
2. Brand awareness 17%
3. Customer engagement 38%
4. Customer loyalty 15%
5. Automation 10%



Preferred gender for chatbot / voice assistant

1. Female 54%
2. Male 17%
3. Genderless 29%



When branding faceless technologies like voice assistants, which of the following things might you take into consideration?

1. Tone of the assistant
2. Speed at which the assistant speaks
3. Accents and personas
4. Catch phrases and/or usage of certain slang words
5. Age of the assistant
6. Gender of the assistant



J.

Brand & Creative Strategist

influencer marketing is still hot

By providing targeted exposure to an already engaged follower base, influencers have now become the holy grail for brands in a world of ad blockers and skeptical consumers. It's no longer difficult to persuade brands to invest thousands on an influencer campaign, but even today, there is no accountability and little transparency to ensure results. Influencers come with a steep price tag, and brands are still struggling to determine their ROI.

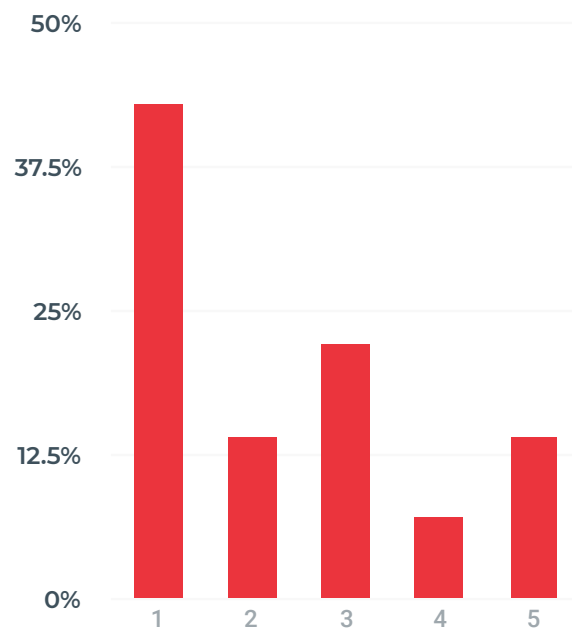
It remains to be seen whether influencer marketing is just a passing fad or an effective marketing strategy, but according to our results, the majority of respondents will work with influencers in 2018. In total, 79% of marketing decision-makers will invest in influencer marketing this year, with 43% planning to invest more, and 22% venturing into the market for the first time.

The influencer marketing craze doesn't show any signs of slowing down anytime soon, despite **the FTC cracking down on influencer endorsements**. Influencer marketing is now a million dollar industry, predicted to be **a \$5-\$10 billion dollar market** in the next 5 years. As the industry matures—and becomes **more transparent**—we're likely to see more and more data-driven **influencer marketing platforms** popping up to help brands identify niche communities and provide real-time data on campaign performance.

In 2017, influencer marketing went beyond simple product endorsements on YouTube and Instagram. Some brands followed the trend of "dark social" and tried to track private messages shared in messaging apps. Adidas, for example, experimented with WhatsApp to **build hyper local communities in cities across the world**. Influencer marketing is not just a new broadcasting channel, and the brands that achieve cultural relevance in smaller, niche communities will win in 2018.

Will you be investing in influencer marketing in 2018?

1. Yes, we plan to invest more than we did in 2017 43%
2. Yes, but we plan to invest less than we did in 2017 14%
3. Yes, we did not invest in influencer marketing in 2017, but will be in 2018 22%
4. No, we do not intend on investing in 2018 even though we did in 2017 7%
5. No, we've never invested in influencer marketing, and do not plan to in 2018 14%





M.

Head of Global Communications

brand activism is on the rise

In today's socially connected—and often anarchic—online world, consumers judge brands with the same level of scrutiny as politicians. If an organization is not upholding its company values, or is silent on a trending issue, soon enough the world will know.

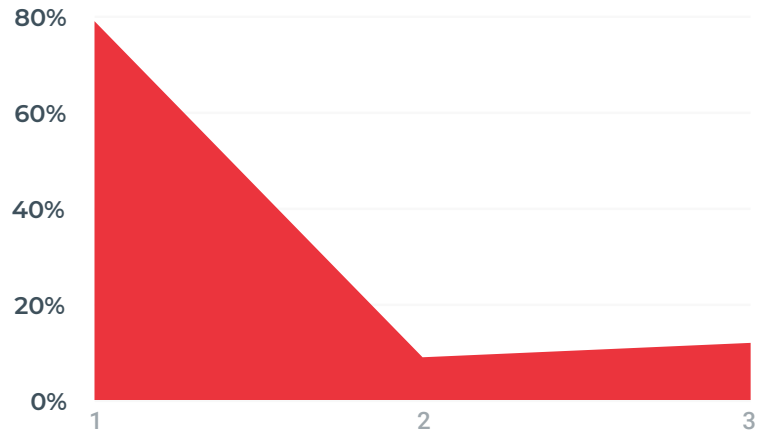
Brands are falling out of favor with consumers, and scrambling to remain culturally relevant in rapidly changing times. Nowadays, everyone's an activist, and brands are no different; there is a wave of brand activism—coined as '**backlash marketing**' by some—sweeping across the industry. But more often than not, when a brand takes a stance on an issue, it doesn't feel genuine or authentic.

The most successful brands no longer market to the world, but behave in the world; and according to our survey, marketing leaders know this. 79% of our respondents say that social and cultural issues will play a significant role in their branding and marketing strategy in 2018, while 36% are excited about exploring the trend of brand activism and cause advocacy.

Now, more than ever, brands have to understand their role in their core community, and how to contribute beyond advertising dollars with proper acts in culture and social programs. According to a **study by Geniusworks**, 88% of consumers believe companies have the power to influence societal change and should be addressing issues presently facing us. So brands that balance purpose with meaningful activity are likely to see a positive impact on their business' bottom line.

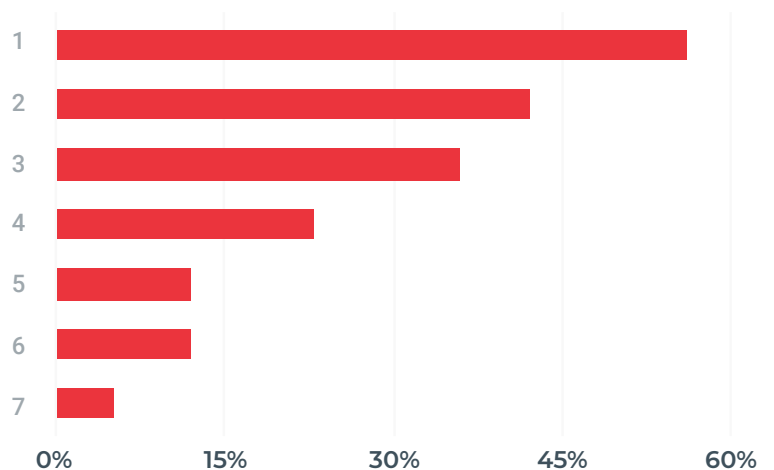
How significant of a role will social / cultural issues play in your branding and marketing strategy for 2018?

1. More of role than in 2017 79%
2. Less of a role than in 2017 9%
3. We don't incorporate social / cultural issues in our marketing 12%



Which marketing trends are you most excited about exploring in 2018?

1. Personalization 56%
2. Influencer marketing 42%
3. Brand activism / cause advocacy 36%
4. Content atomization 23%
5. Dark social monitoring 12%
6. Guerilla marketing stunts 12%
7. None of the above 5%





A.
Lead Marketing Video Producer

Marketing has always been part-art and part-science. But to succeed in today's rapidly changing digital landscape, marketing teams need technical talent just as much as they need creative. According to **McKinsey**, "over the next five years, large companies will invest, on average, hundreds of millions of dollars—and some more than a billion dollars—to transform their business to digital."

Customer experience is the top priority for marketers this year. While brand awareness is still an ongoing objective, more marketers are seeing the need to invest in their customer experience to acquire and retain customers. As customer experience becomes increasingly important, brands will need to invest in the tech talent to deliver those experiences.

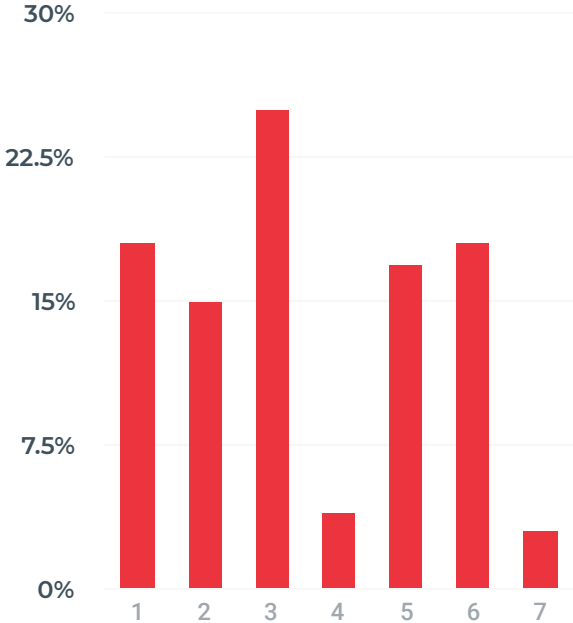
It's not surprising, then, that 53% of respondents will be hiring technical talent such as experience designers and developers in 2018. More interestingly, 34% of marketing managers will bring on data scientists to their teams. The **American Marketing Association** described data science as the "latest in-demand skill set within the marketing profession, owing to the digitalization of the consumer products economy."

While data scientists will be busy turning large amounts of consumer data into actionable insights, creative teams will still need to be on hand to transform these insights into engaging communication. Some in the industry still debate whether data-driven creativity can be emotional, but if recent campaigns are anything to go by, **brands such as Spotify and Netflix are proving it can.**

marketing teams are hiring more tech talent

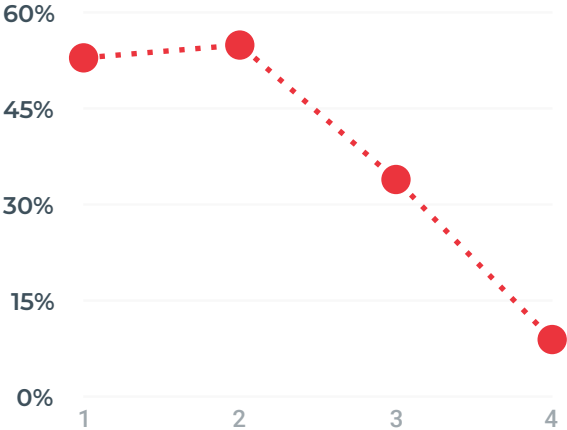
Which marketing priority will be your organization's main focus in 2018?

- 1. Brand awareness 18%
- 2. Engagement 15%
- 3. Customer experience 25%
- 4. Customer evangelism 4%
- 5. Customer retention / loyalty 17%
- 6. New customer acquisition 18%
- 7. Share of Voice 3%



Which of the following marketing team roles is your company investing in for 2018?

- 1. Technical talent (developers, UX designers, etc.) 53%
- 2. Creative talent (videographers, designers, copywriters, etc.) 55%
- 3. Data scientists 34%
- 4. None of the above 9%



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