Introduction

In December 2016, we surveyed 562 global brand managers and CMOs on the challenges they face, their priorities for the new year, and their approach to technology. Our report aims to provide branding and marketing professionals insights into how brand marketing is evolving in a consumer-centric, digital age.

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, marketing professionals are under increasing pressure to get to grips with the digital landscape in order to retain their edge in a competitive climate.

According to our survey, the top three marketing challenges for our respondents are “proving the ROI of our marketing activities”, “collaborating between departments/offices” and “adapting to changing consumer behaviors”. While proving marketing ROI remains a top challenge, marketing departments are struggling to keep up to pace with changing consumer behaviors.

67% of respondents have buyer personas to help them target and understand their ideal customers, while a vast majority of marketers invest in tools and methods to gain knowledge about their target audience. Clearly, organizations are actively trying to gain more consumer insights.

But when it comes to new channels and technologies, only 43% of respondents said that they are early adopters. What's more striking is that a clear majority of marketers (65%) stated that they would not be investing in new technologies in 2017, despite all the trend reports surrounding virtual reality, artificial intelligence and beacon technology.

Our report will provide you with an in-depth look at the current state of branding and give you a glimpse of where it's heading in the future.
### Demographics

**STATE OF BRANDING | REPORT 2017**

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>%</th>
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<tbody>
<tr>
<td>Consumer Products</td>
<td>27%</td>
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<tr>
<td>Marketing Agencies</td>
<td>14%</td>
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<tr>
<td>Information Technology &amp; Services</td>
<td>14%</td>
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<tr>
<td>Services</td>
<td>9%</td>
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<td>Industrial and Manufacturing</td>
<td>7%</td>
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<tr>
<td>Healthcare and Medical</td>
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<td>Media and Publishing</td>
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<tr>
<td>Ecommerce</td>
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<tr>
<td>Non-profit/Government</td>
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<td>Travel and Tourism</td>
<td>3%</td>
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<td>Education</td>
<td>3%</td>
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<td>Telecommunications</td>
<td>2%</td>
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<td>Other</td>
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<tr>
<th>COMPANY SIZE</th>
<th>%</th>
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<td>2-10</td>
<td>5%</td>
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<td>11-50</td>
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<td>10,001+</td>
<td>12%</td>
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<tr>
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<td>B2B</td>
<td>36%</td>
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<tr>
<td>B2C</td>
<td>30%</td>
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<tr>
<td>B2B and B2C</td>
<td>29%</td>
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<tr>
<td>Non-profit/government</td>
<td>4%</td>
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<table>
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<tr>
<th>REGION</th>
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<tr>
<td>North America</td>
<td>78%</td>
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<td>Europe</td>
<td>13%</td>
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<td>Asia</td>
<td>4%</td>
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<tr>
<td>Africa</td>
<td>2%</td>
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<tr>
<td>East Asia &amp; Pacific</td>
<td>2%</td>
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<td>South America</td>
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<tr>
<th>ROLE</th>
<th>%</th>
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<tr>
<td>C-level executive</td>
<td>11%</td>
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<tr>
<td>Vice president</td>
<td>2%</td>
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<tr>
<td>Director</td>
<td>23%</td>
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<tr>
<td>Manager</td>
<td>44%</td>
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<tr>
<td>Individual contributor</td>
<td>20%</td>
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Goals and Challenges

Customer acquisition 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.

Which marketing priority will be your organization’s main focus in 2017?

- New Customer Acquisition: 34%
- Brand Awareness: 21%
- Customer Experience: 19%
- Customer Evangelism: 9%
- Engagement: 8%
- Customer Retention: 6%
- Other: 2%
- Share of Voice: 1%

INSIGHT: New Customer Acquisition is the top Marketing Priority for 2017.
Goals and Challenges

TOP MARKETING PRIORITY

All marketing teams, regardless of organization type or size, will concentrate on new customer acquisition, brand awareness and customer experience in 2017. In comparison with B2B and B2C organizations, nonprofit and governmental organizations will focus more on engagement and customer loyalty.
The ability to prove the ROI of marketing activities remains a top challenge for marketers. While marketing departments are figuring out ways to make their marketing efforts more accountable, they are also struggling to collaborate with different departments and offices, and adapt to changing consumer behaviors.

**Goals and Challenges**

**Top Marketing Challenge**

What is your organization’s top marketing challenge?

- Proving the ROI of our marketing activities: 34%
- Collaborating between departments: 14%
- Adapting to changing consumer behaviors: 13%
- Aligning content with brand guidelines: 12%
- Securing enough budget: 10%
- Finding top talent: 7%
- Other: 5%
- Content for an international audience: 3%
- Identifying necessary technology: 2%

**Insight:** Proving ROI remains top challenge for marketing teams.
Goals and Challenges

Proving the ROI of marketing activities and adapting to changing consumer behaviors are universal challenges across all organization types and sizes. Business-to-customer organizations find it difficult to secure enough budget, while non-profit and governmental organizations struggle with ensuring brand consistency.

Top marketing challenges by company type

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<td>1</td>
<td>Proving the ROI of our marketing activities</td>
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<td>Proving the ROI of our marketing activities</td>
<td>Aligning content with brand guidelines</td>
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<tr>
<td>2</td>
<td>Collaborating between departments/offices</td>
<td>Securing enough budget</td>
<td>Adapting to changing consumer behaviors</td>
<td>Proving the ROI of our marketing activities</td>
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<td>3</td>
<td>Adapting to changing consumer behaviors</td>
<td>Collaborating between departments/offices</td>
<td>Aligning content with brand guidelines</td>
<td>Adapting to changing consumer behaviors</td>
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Top marketing challenges by company size

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<tr>
<th>PRIORITY</th>
<th>1-200</th>
<th>201-5000</th>
<th>5001+</th>
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<tr>
<td>1</td>
<td>Proving the ROI of our marketing activities</td>
<td>Proving the ROI of our marketing activities</td>
<td>Proving the ROI of our marketing activities</td>
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<tr>
<td>2</td>
<td>Aligning content with brand guidelines</td>
<td>Collaborating between departments/offices</td>
<td>Collaborating between departments/offices</td>
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<tr>
<td>3</td>
<td>Adapting to changing consumer behaviors</td>
<td>Adapting to changing consumer behaviors</td>
<td>Aligning content with brand guidelines</td>
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INSIGHT: LARGE ORGANIZATIONS RECOGNIZE THE IMPORTANCE OF INTERNAL COLLABORATION.
In an open question, we asked our respondents how their marketing teams are adapting to changing consumer behaviors. The most common answers included increasing social media engagement, shifting budgets to digital and mobile, and more focus on the consumer lifecycle.

“By tailoring messages to meet specific audience requirements while still ensuring that the core messages remain 100% aligned to our brand persona. We also use digital and social media as part of our communications efforts to showcase our nimble approach and expertise across different sectors.”

Julia Scheffer
Global Head of Communications
Brand & Marketing at AltoPartners

“We have changed our marketing strategy to reflect our customers’ position in the buying journey. We’re moving more into content marketing, and replacing spray and pray approach.”

Sascha Sinclair
In-house Creative Director and Brand Manager
McMillan Shakespeare Ltd.

“We have a customer insight team that provides all potential feedback from surveys, interviews and database analysis and then translates it into actions for our marketing and brand teams.”

Stella Tsiakalou
Senior Customer Insight Analyst
UBM EMEA Amsterdam
Goals and Challenges
DEFINING BRAND SUCCESS

The consumer-brand relationship has undergone significant change in last few years, and so has the definition of a successful brand. Over half of the survey respondents agreed that customer experience is the hallmark of a brand’s success, eclipsing the more traditional aspects of brand building such as brand consistency and storytelling.

What is the most important component of a successful brand?

- User/Customer Experience: 52%
- Brand Consistency: 20%
- Storytelling: 14%
- Audience Knowledge: 6%
- Company Culture: 3%
- Other: 3%
- Agility and Speed: 2%

INSIGHT: THE VALUE OF CUSTOMER RELATIONSHIPS IS ON THE RISE.
The majority of our respondents have a dynamic brand strategy: 67% have a documented strategy while 21% have a verbal-only strategy. In an era where brands have to be adaptable and agile, it’s not surprising that almost half of the marketers surveyed update their brand strategy every year.
From the open question responses, we concluded that most brand strategies are documented and distributed digitally, while some organizations share their strategy offline in management meetings and employee trainings. The most common formats are PDFs and Google Docs.

"Our Marketing and Growth department runs projects to better understand our customers and their needs. We do that and implement different documentation to help our team members communicate in the right way to external audiences. All documentation is saved and kept in our online storage tool and part of onboarding for every new employee."

Hugo Pereira
Head Marketing & Growth
EV-Box

**INSIGHT:** Digitally distributed brand strategies are 23% more effective than verbal-only.
When we asked respondents why their brand strategy is not documented, the majority said that they were a small organization focusing on experimentation and rapid growth, making it difficult to have a static brand strategy. Other reasons included: lack of time and resources, focusing on short-term sales goals, and building a proof of concept.

**Insight:** SMBS focusing on rapid growth struggle to create a rigid brand strategy.

“As a startup we allow ourselves to experiment in the early phase in order to find out what works and what not. Many things change so we need to be flexible.”

Amir Abdin
Head of Marketing
Payments & Cards Network

“We are diversifying our product offering and moving into new undefined territories. Once defined, we can build and execute our strategy.”

Sascha Sinclair
In-house Creative Director and Brand Manager
McMillan Shakespeare Ltd.
Organizations planning to develop a brand strategy in 2017 will focus more on consumer insights with 80% of respondents planning to include a deep understanding of audience personas and 57% wanting to include an audience poll or research study. Brand vision and mission, story and value proposition, and brand guidelines remain the most common elements.

Which aspects are you planning to include in your brand strategy?

- Brand Vision and Mission: 100%
- Our Story and Value Proposition: 100%
- Brand Guidelines: 83%
- Audience Personas: 89%
- Audience Poll or Research Study: 57%
- Other: 7%

**INSIGHT:** CONSUMER INSIGHTS WILL BE FUNDAMENTAL FOR CMOS DEVELOPING BRAND STRATEGY IN 2017.
Strategy and Organization

IMPORTANCE OF BRAND MARKETING

Even with the increasing pressure to prove the ROI of marketing activities and the temptation of short-term marketing tactics, 87% of our respondents said that brand marketing is an integral part of their organization's marketing strategy.

**Brand marketing** is an important component of our marketing program.

![Brand marketing](image)

**Short-term** brand marketing goals are part of long-term vision.

![Short-term](image)
Strategy and Organization

BUILDING AUDIENCES WITH BRAND MARKETING

72% of our respondents are focused on building audiences as opposed to directly selling to consumers. This only confirms that in today’s digital landscape where consumers are blocking ads and choosing what to engage with, brands need to earn their attention.

Our brand marketing focuses on **building audiences**.

![Graph showing 48% strongly agree, 24% agree, 14% indifferent, 9% disagree, 4% strongly disagree.]

Our marketing provides an **excellent experience** for our audience.

![Graph showing 29% strongly agree, 23% indifferent, 9% disagree, 4% strongly disagree, 35% agree.]

**INSIGHT**: **BUILDING AUDIENCES IS MORE VALUABLE THAN DIRECT SALES FOR OVER 70% OF MARKETERS.**
The majority of our respondents use new customer acquisition numbers to determine the success of brand marketing activities, followed by engagement metrics such as social media engagement and qualitative feedback from customers.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>New Customer Acquisition</td>
<td>75%</td>
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<tr>
<td>Social Media Engagement</td>
<td>72%</td>
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<tr>
<td>Qualitative Feedback from Customers</td>
<td>58%</td>
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<tr>
<td>Subscriber/Community Growth</td>
<td>51%</td>
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<tr>
<td>Brand Lift</td>
<td>45%</td>
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<tr>
<td>Earned Media</td>
<td>39%</td>
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<tr>
<td>Customer Renewal Rate</td>
<td>37%</td>
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<tr>
<td>Purchase Intent</td>
<td>34%</td>
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<tr>
<td>Other</td>
<td>9%</td>
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**Insight:** Marketers use engagement metrics to determine the success of brand marketing.
Brand Marketing Metrics

While the majority of our respondents can prove that brand marketing has increased new customer acquisition, 18% stated that they could not prove an increase in customer renewal rate, with 36% choosing "indifferent". This data suggests that marketers do not focus on retention as much as acquisition, and that it's more difficult to track retention numbers.
Brand Marketing Metrics

As we can see from the previous results, marketers are focusing their brand marketing efforts on building audiences and communities. When it comes to measuring these activities, 66% said that they can prove that brand marketing has increased subscriber/community growth, while 70% can prove that it has increased audience engagement.

Brand marketing has increased subscriber/community growth.

Brand marketing has increased audience engagement.
Audience Targeting

While the vast majority of those surveyed have a documented or verbal-only buyer persona, 41% said buyer personas are only moderately effective in helping their organization target its ideal customers. Interviewing real buyers, consulting internal stakeholders and online surveys are the top three ways marketers build their buyer personas.

Do you have a buyer persona?

- **Yes, documented:** 45%
- **Yes, non documented:** 35%
- **No, but planned in 2017:** 13%
- **No plans to have one:** 7%

How did you build your buyer persona?

- **Interviewed real buyers:** 60%
- **Consulted stakeholders:** 56%
- **Online surveys:** 43%
- **Social media analysis:** 36%
- **Analyst reports:** 34%
- **Web research:** 32%
- **Web analytics:** 29%
- **Other:** 10%
Audience Targeting
BUYER PERSONA EFFECTIVENESS

According to our research, buyer personas are more effective for B2B organizations (63%) than B2C organizations (53%). Almost half of the marketers from B2C organizations said that buyer personas are only moderately effective at helping them target ideal customers, showing that audience targeting is more difficult for consumer-facing brands.

How effective is your buyer persona in helping your organization target its ideal customers?

- **MODERATELY EFFECTIVE** 41%
- **VERY EFFECTIVE** 31%
- **EXTREMELY EFFECTIVE** 23%
- **4% MINIMALLY EFFECTIVE**
- **1% NOT AT ALL EFFECTIVE**

Why are you not planning to build a buyer persona?

“The specific industry, and market we are in, includes a diverse range of customer types: from gender, to ethnicity, to geographical location.”

**Aaron Russo**
Brand Territory Manager
Marathon Petroleum Company LP

INSIGHT: BUYER PERSONAS ARE ONLY MODERATELY EFFECTIVE FOR 41% OF MARKETERS.
New technology and tools continue to play an important role in the day-to-day operations of marketing departments. Social media monitoring (78%), marketing analytics (76%), and brand guidelines (67%) are the most used marketing tools.
With customer experience being one of the top three marketing priorities for 2017, it’s not surprising to see that 45% of our respondents will invest in customer experience tools this year, compared to the 34% who currently invest in them. Marketing analytics (57%) and social media monitoring (49%) remain the top two investments for marketing departments.

Which **marketing tools** will your organization **invest** in, in 2017?

- **Marketing Analytics**: 58%
- **Social Media Monitoring**: 49%
- **Customer Experience Tools**: 45%
- **Content Management Systems**: 43%
- **DAM / Branding Automation**: 40%
- **Marketing Automation**: 38%
- **Brand Guidelines**: 38%
- **Other**: 8%
Despite all of the tools available that provide audience insights, customer feedback is the most common way for organizations to gain knowledge about its target audience. Website analytics (72%) and social listening (56%) are the most common digital methods, while 57% of marketers implement a competitive analysis to understand a competitor's target audience.

**INSIGHT:** CUSTOMER EXPERIENCE TOOLS WILL BE A MAJOR INVESTMENT FOR MARKETERS IN 2017.
Virtual reality, augmented reality and chatbots dominated the trend reports last year. However, a clear majority of our respondents (65%) stated that they would not be investing in new technologies in 2017. 360 video (19%) and virtual reality (14%) were the most popular investments, followed by chatbots (9%), beacon technology (8%), and augmented reality (7%).

**INSIGHT:** 70% of marketers recognize the value of VR and AR, but will not invest in 2017.
According to our respondents, virtual reality (24%) will have the biggest impact on marketing in the next 5 years, closely followed by machine learning (23%). 70% of the marketers that believe VR and AR will have the biggest impact on marketing, will not invest in VR and AR in 2017, suggesting that there’s still a lot of insecurity and uncertainty about new technologies.

**INSIGHT:** VIRTUAL REALITY WILL HAVE THE BIGGEST IMPACT ON MARKETING IN THE NEXT FIVE YEARS.
We asked our respondents to tell us what they think will be the most disruptive force or channel to affect their job in the next 3-5 years. Here are our favorites.

"Staying on top of understanding touchpoints while still being able to prioritize the relevant ones. Secondly, the need of more and more specialized agencies - how do we get them in the same direction. And, the demand for talent both on the strategic side and the technical side."

Anders Fisker Olesen
CMO
System Frugt A/S

"Ever-changing shopper behavior. Blurred lines between online and offline purchases. Maximizing the shopper experience wherever the shopper is, digital shelf or retail shelf."

Paige Perdue
Director Digital Marketing
WD-40 Company

"Digital innovations concerning individual user experiences (individualized/personalized marketing) will be the most disruptive force for my segment."

Michelle Johnson
Segment Marketing Manager
LP Building Products
The answers we received varied from artificial intelligence to changes in online shopping, from sustainable businesses to demands for talent.

**Technology: The Most Disruptive Force**

**INSIGHT: AI WILL BE THE MOST DISRUPTIVE FORCE TO AFFECT MARKETING JOBS IN THE NEXT 5 YEARS.**

- *Angela Hill*
  CEO
  Incitrio

  “AI automating the creative process so a non-creative can generate logos, icons, infographics, illustrations, build websites and collateral, etc.”

- *Cozette Phifer*
  VP Marketing & Communications
  Swift Transportation

  “The political climate, technological swings in behavior, migration to online-only shopping.”

- *Eva Karlsson Nordlöf*
  Consultant Brand Manager
  Akrida AB

  “AI, sustainable businesses, consumer pressure, and further digital development.”

- *Rob Holder*
  Director of Beverage & Brand Development
  JNK Concepts

  “The millennial generation coming of age and becoming the dominate spending force will have the most disruptive force on our industry.”
Our marketing includes more **experimentation** to reduce risk.

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<th>AGREE</th>
<th>INDIFFERENT</th>
<th>DISAGREE</th>
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<th>STRONGLY AGREE</th>
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Our team is an **early adopter** of new channels and technologies.

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<th>STRONGLY AGREE</th>
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**INSIGHT**: EARLY ADOPTION OF NEW CHANNELS AND TECH IS CRUCIAL FOR MORE THAN 40% OF MARKETERS.

While 87% of our respondents claim that digital permeates most or all of their marketing activities, only 39% experiment with online campaigns, and only 43% said that their marketing department is an early adopter of new channels and technologies.
Our marketing uses big data to unlock new **brand experiences**.

We take a **mobile-first approach** to marketing and ad campaigns.

**INSIGHT:** Two thirds of marketers don’t take a mobile-first approach to marketing campaigns.
Conclusion

17 KEY TAKEAWAYS FOR 2017

While new customer acquisition will still be a major focus for brand and marketing managers in 2017, building audiences is more valuable than direct sales for over two thirds of our respondents. Marketers will continue to invest in tools that make their marketing activities more effective and measurable, but they will not be investing in new technologies such as virtual reality, despite recognizing their inherent value.

1. New customer acquisition is the top marketing priority for 2017.
2. Proving ROI remains top challenge for marketing teams.
3. Large organizations recognize the importance of internal collaboration.
4. The value of customer relationships is on the rise.
5. Almost 50% of marketing managers have a dynamic brand strategy.
6. Digitally distributed brand strategies are 23% more effective than verbal-only.
7. SMBs focusing on rapid growth struggle to create a rigid brand strategy.
8. Consumer insights will be fundamental for CMOs developing brand strategy in 2017.
9. Building audiences is more valuable than direct sales for over 70% of marketers.
10. Marketers use engagement metrics to determine the success of brand marketing.
11. Buyer personas are only moderately effective for 41% of marketers.
12. Customer experience tools will be a major investment for marketers in 2017.
13. 70% of marketers recognize the value of VR and AR, but will not invest in 2017.
14. Virtual reality will have the biggest impact on marketing in the next five years.
15. Early adoption of new channels and tech is crucial for more than 40% of marketers.
16. Two thirds of marketers don’t take a mobile-first approach to marketing campaigns.
17. AI will be the most disruptive force to affect marketing jobs in the next 5 years.