

State of Branding

REPORT 2017



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Introduction

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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.

| The OnBrand Team

Demographics

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INDUSTRY

Consumer Products	27%
Marketing Agencies	14%
Information Technology & Services	14%
Services	9%
Industrial and Manufacturing	7%
Healthcare and Medical	6%
Media and Publishing	6%
Ecommerce	6%
Non-profit/Government	3%
Travel and Tourism	3%
Education	3%
Telecommunications	2%
Other	2%

COMPANY SIZE

2-10	5%
11-50	20%
51-200	22%
201-500	15%
501-1000	11%
1001-5000	10%
5001-10,000	5%
10,001+	12%

COMPANY TYPE

B2B	36%
B2C	30%
B2B and B2C	29%
Non-profit/government	4%

REGION

North America	78%
Europe	13%
Asia	4%
Africa	2%
East Asia & Pacific	2%
South America	1%

ROLE

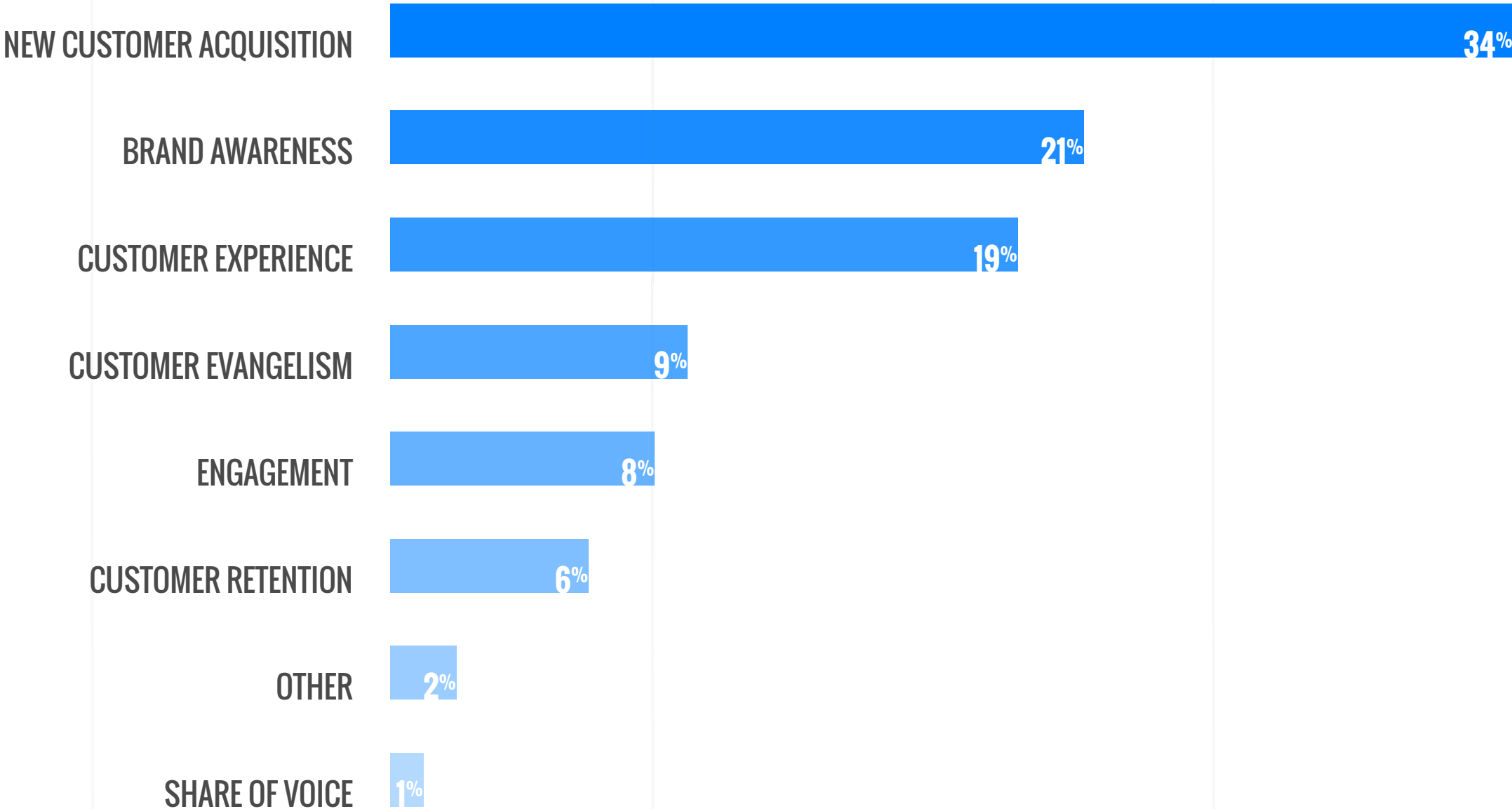
C-level executive	11%
Vice president	2%
Director	23%
Manager	44%
Individual contributor	20%

Goals and Challenges

TOP MARKETING PRIORITY

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?



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.

Top marketing priorities by company type

PRIORITY	B2B	B2C	B2B & B2C	NON-PROFIT / GOVERNMENT
1	New customer acquisition	New customer acquisition	New customer acquisition	Engagement
2	Customer experience	Brand awareness	Brand awareness	Customer retention/loyalty
3	Brand awareness	Customer experience	Customer experience	New customer acquisition

Top marketing priorities by company size

PRIORITY	1-200	201-5000	5001+
1	New customer acquisition	New customer acquisition	Brand awareness
2	Brand awareness	Brand awareness	New customer acquisition
3	Customer experience	Customer experience	Customer experience

Goals and Challenges

TOP MARKETING CHALLENGE

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.



INSIGHT: PROVING ROI REMAINS TOP CHALLENGE FOR MARKETING TEAMS.

Goals and Challenges

TOP MARKETING CHALLENGE

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

PRIORITY	B2B	B2C	B2B & B2C	NON-PROFIT / GOVERNMENT
1	Proving the ROI of our marketing activities	Proving the ROI of our marketing activities	Proving the ROI of our marketing activities	Aligning content with brand guidelines
2	Collaborating between departments/offices	Securing enough budget	Adapting to changing consumer behaviors	Proving the ROI of our marketing activities
3	Adapting to changing consumer behaviors	Collaborating between departments/offices	Aligning content with brand guidelines	Adapting to changing consumer behaviors



INSIGHT: LARGE ORGANIZATIONS RECOGNIZE THE IMPORTANCE OF INTERNAL COLLABORATION.

Top marketing challenges by company size

PRIORITY	1-200	201-5000	5001+
1	Proving the ROI of our marketing activities	Proving the ROI of our marketing activities	Proving the ROI of our marketing activities
2	Aligning content with brand guidelines	Collaborating between departments/offices	Collaborating between departments/offices
3	Adapting to changing consumer behaviors	Adapting to changing consumer behaviors	Aligning content with brand guidelines

Goals and Challenges

ADAPTING TO CHANGING CONSUMER BEHAVIORS

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

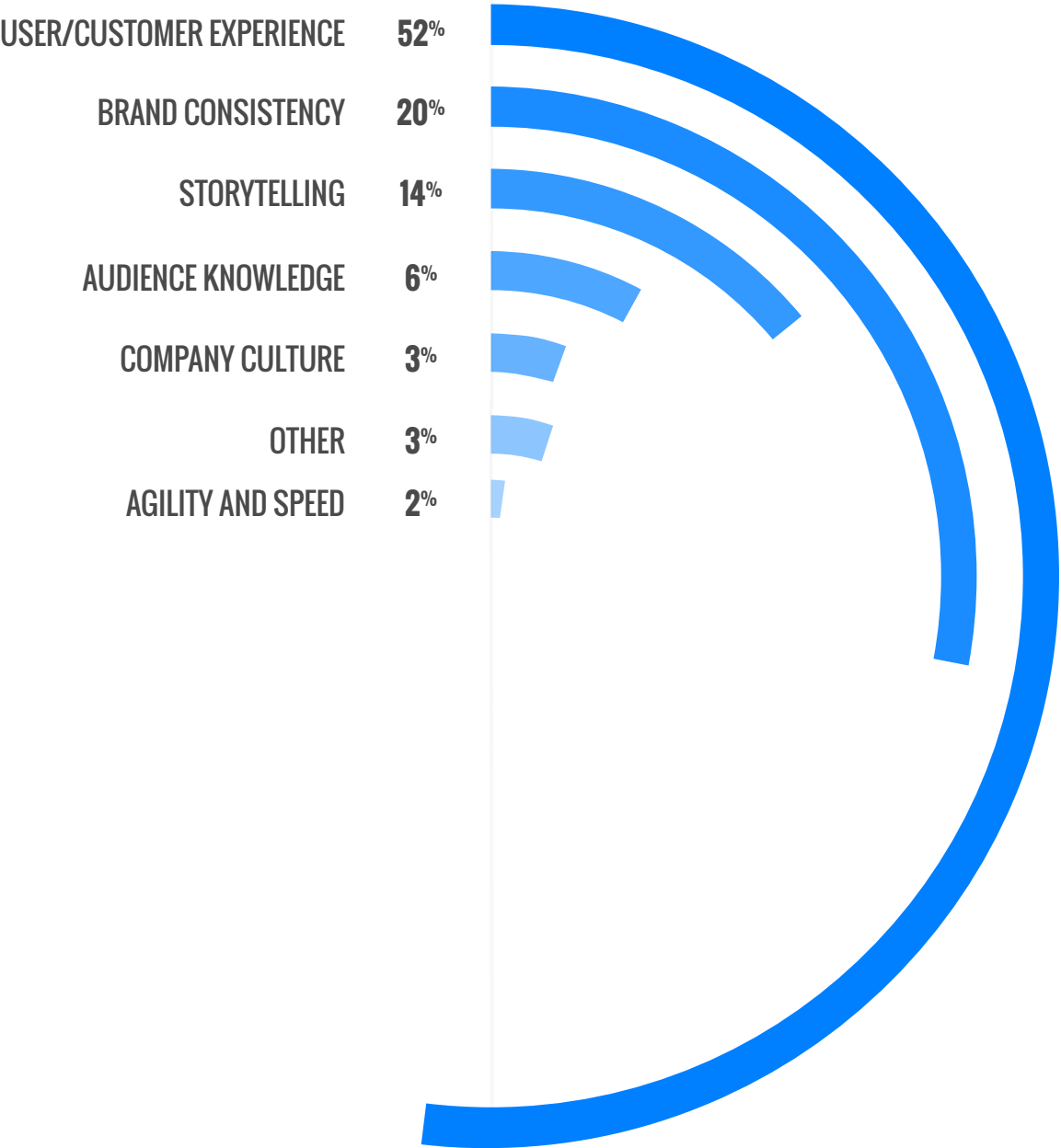
Senior Customer Insight Analyst
UBM EMEA Amsterdam

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?



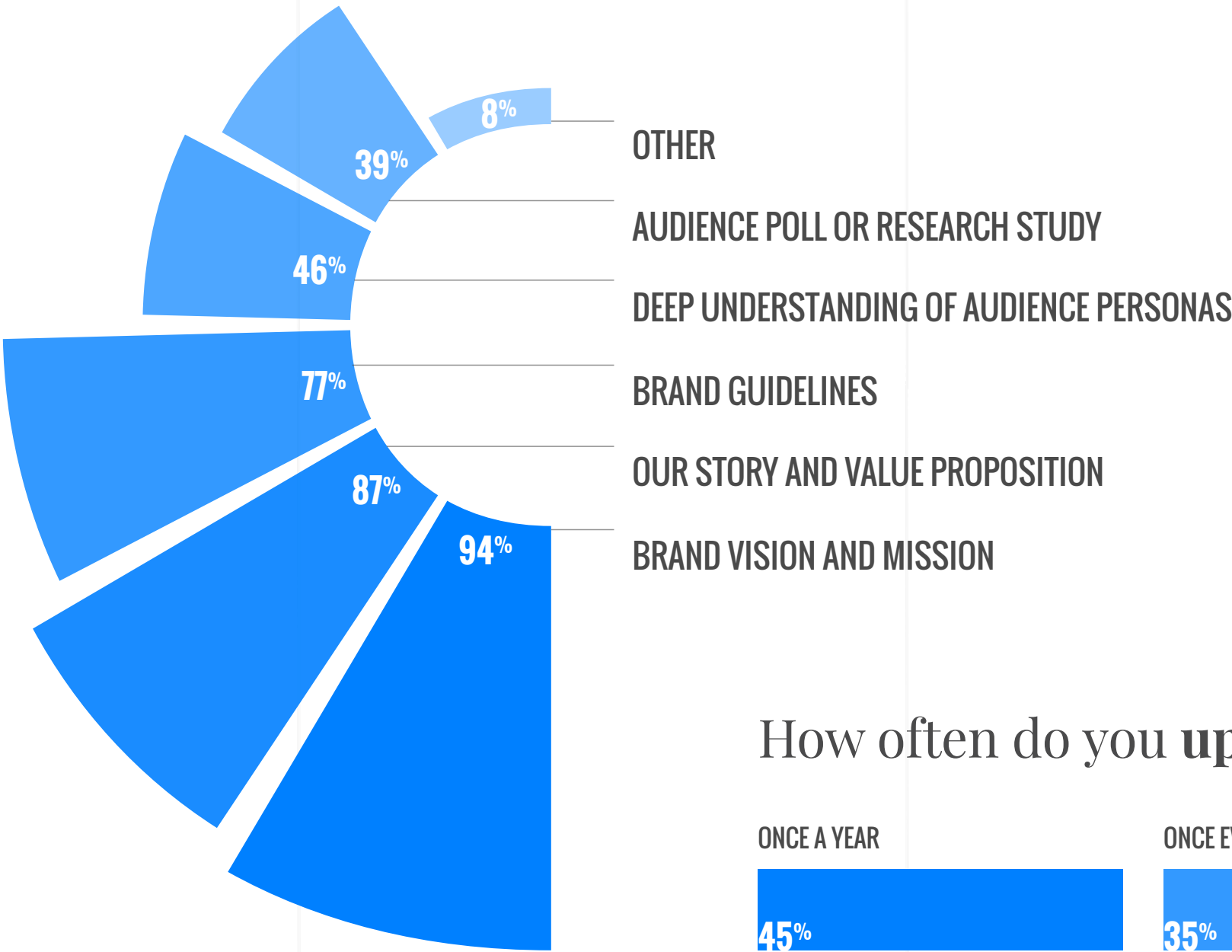
INSIGHT: THE VALUE OF CUSTOMER RELATIONSHIPS IS ON THE RISE.

Strategy and Organization

DOCUMENTED BRAND STRATEGY

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.

Which **aspects** are included in your brand strategy?



How often do you **update** your brand strategy?



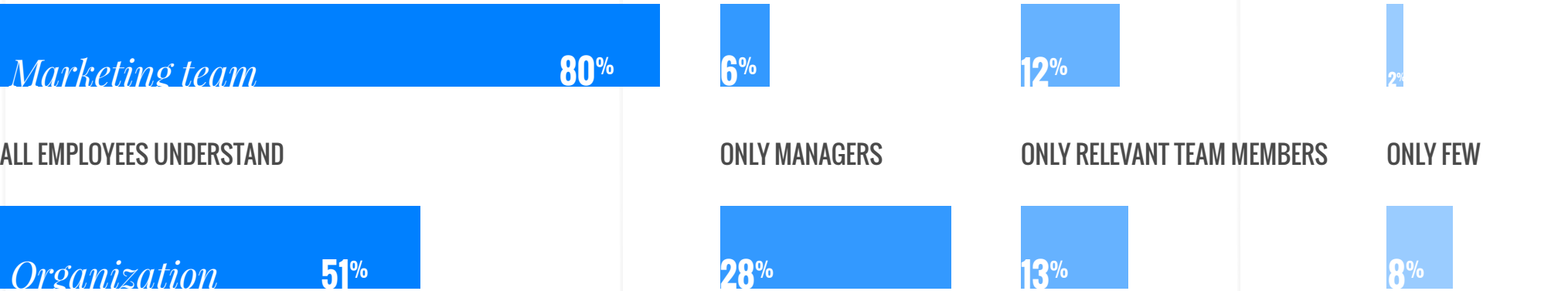
INSIGHT: ALMOST 50% OF MARKETING MANAGERS HAVE A DYNAMIC BRAND STRATEGY.

Strategy and Organization

DOCUMENTING AND SHARING BRAND STRATEGY

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.

How clearly is your documented brand strategy communicated in your **organization** and **marketing** team?



“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.

Strategy and Organization

UNDOCUMENTED BRAND STRATEGY

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.

How clearly is your undocumented brand strategy communicated in your **organization** and **marketing** team?



“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.



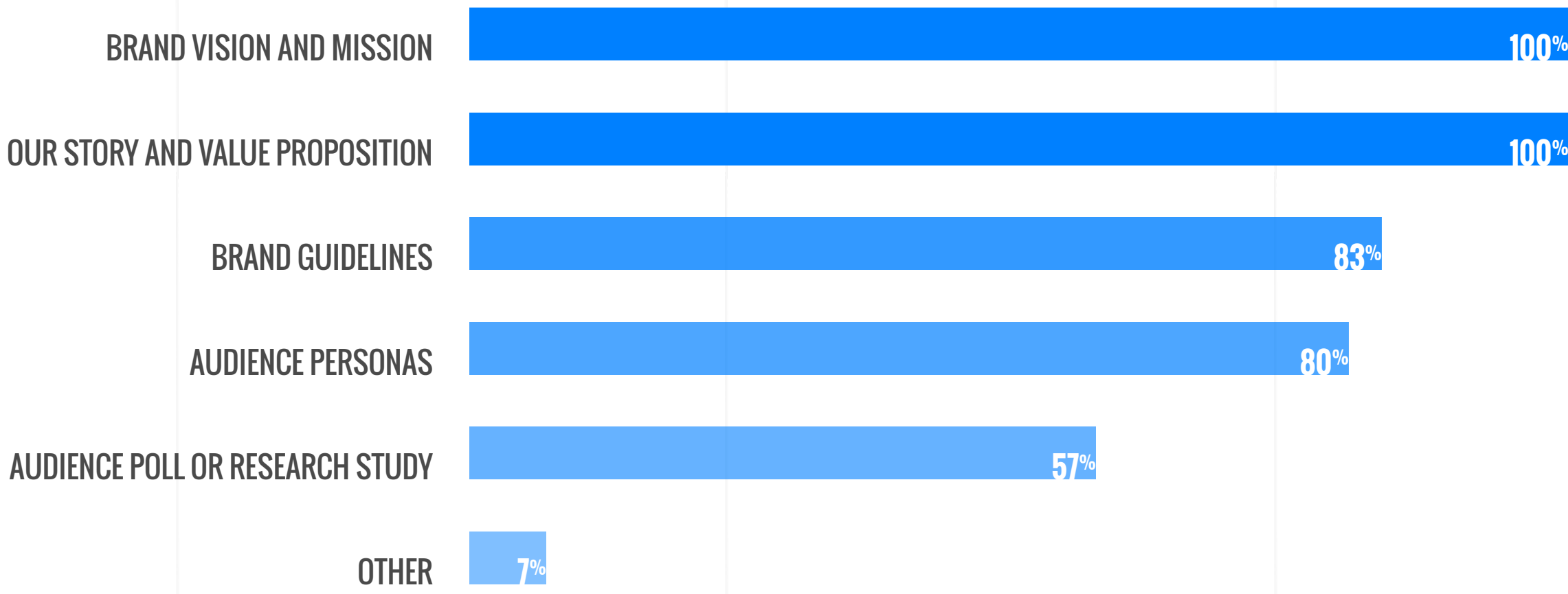
INSIGHT: SMBS FOCUSING ON RAPID GROWTH STRUGGLE TO CREATE A RIGID BRAND STRATEGY.

Strategy and Organization

DEVELOPING BRAND STRATEGY

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?



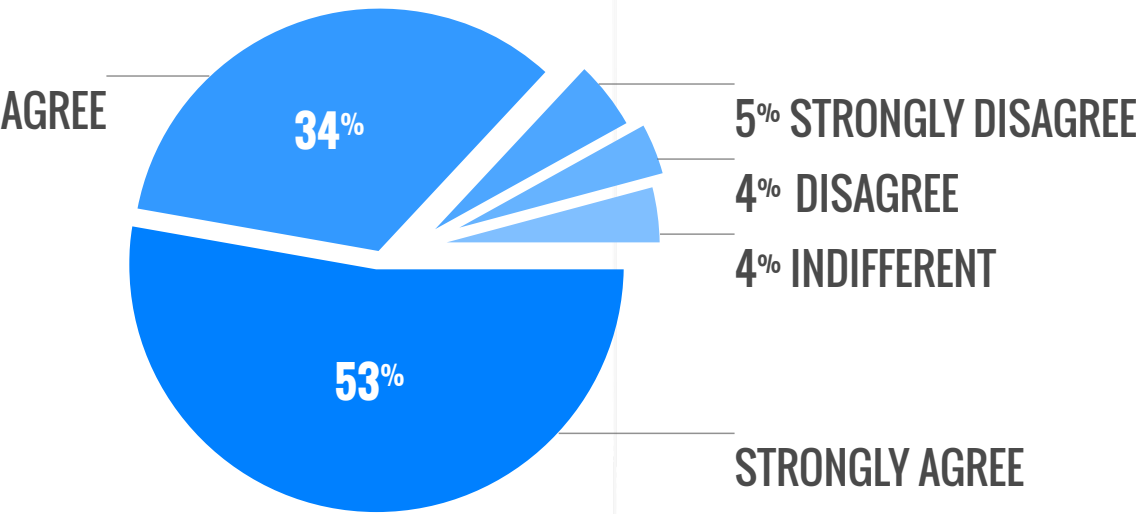
INSIGHT: CONSUMER INSIGHTS WILL BE FUNDAMENTAL FOR CMOS DEVELOPING BRAND STRATEGY IN 2017.

Strategy and Organization

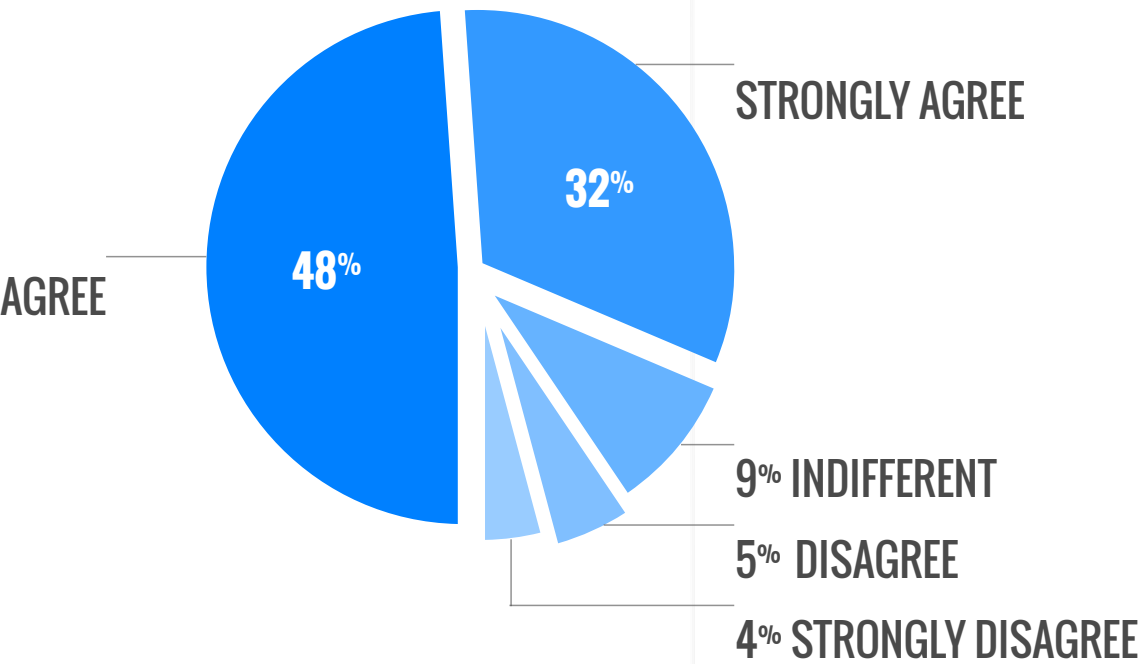
IMPORTANCE OF BRAND MARKETING

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.



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

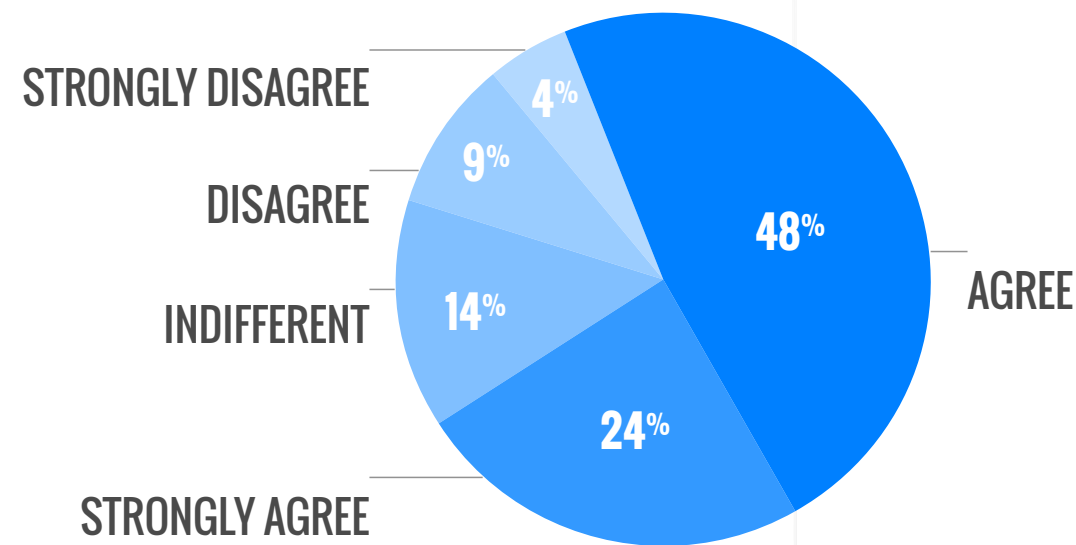


Strategy and Organization

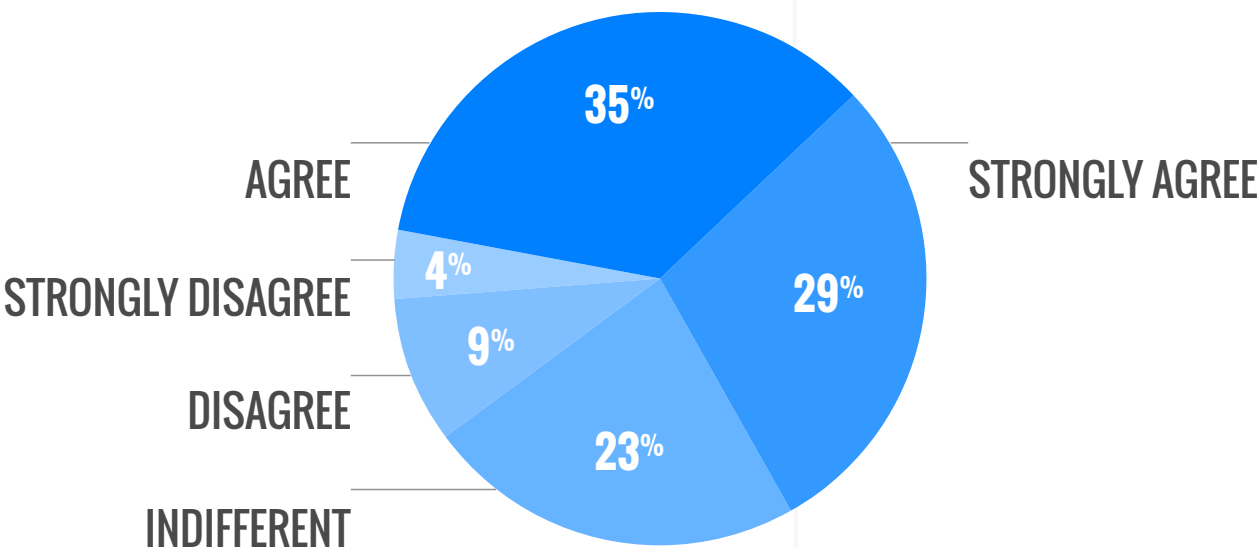
BUILDING AUDIENCES WITH BRAND MARKETING

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**.



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



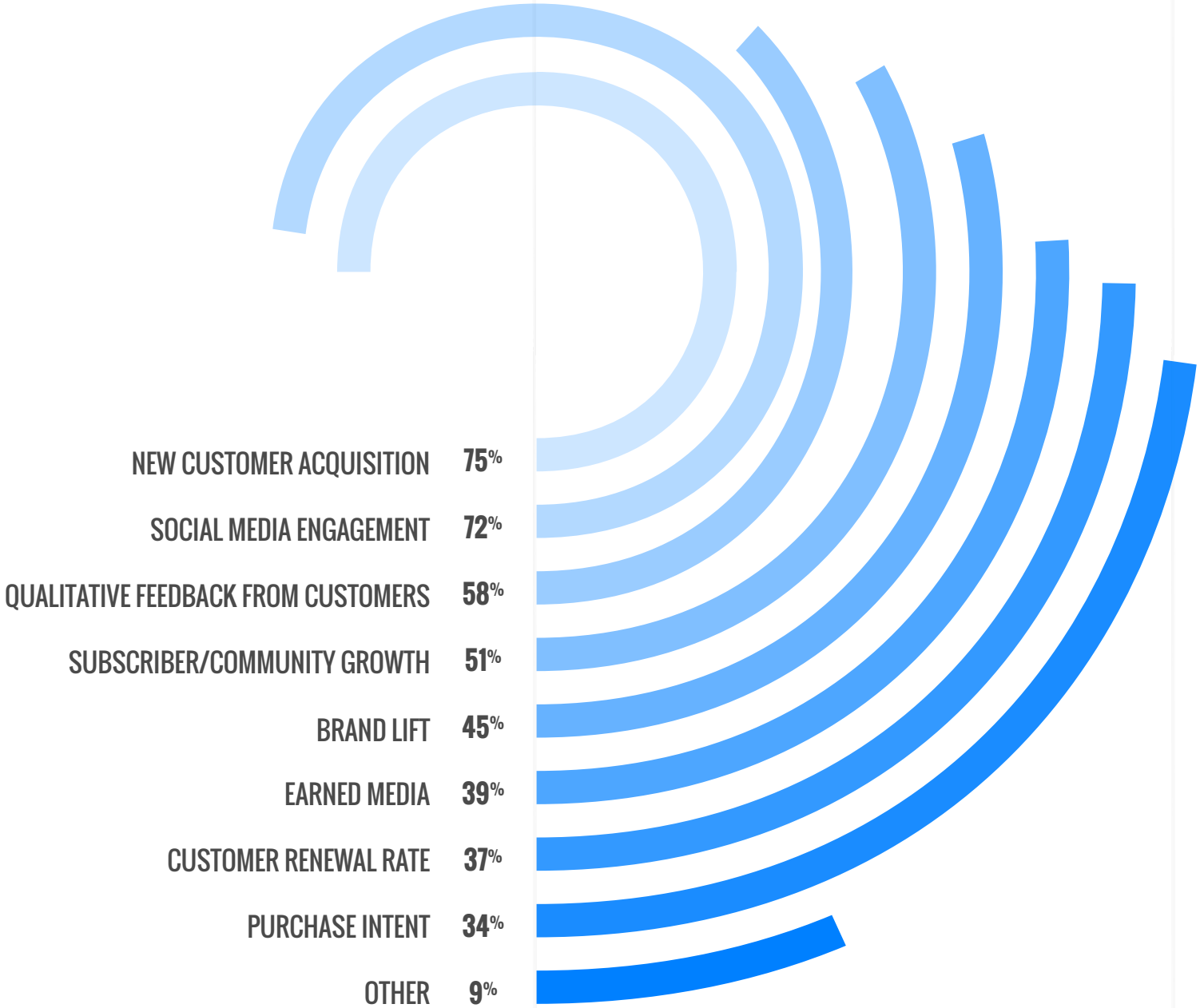
INSIGHT: BUILDING AUDIENCES IS MORE VALUABLE THAN DIRECT SALES FOR OVER 70% OF MARKETERS.

Brand Marketing Metrics

DEFINING BRAND MARKETING SUCCESS

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.

Which **metrics** or **KPIs** does your organization use to determine the success of brand marketing activities?



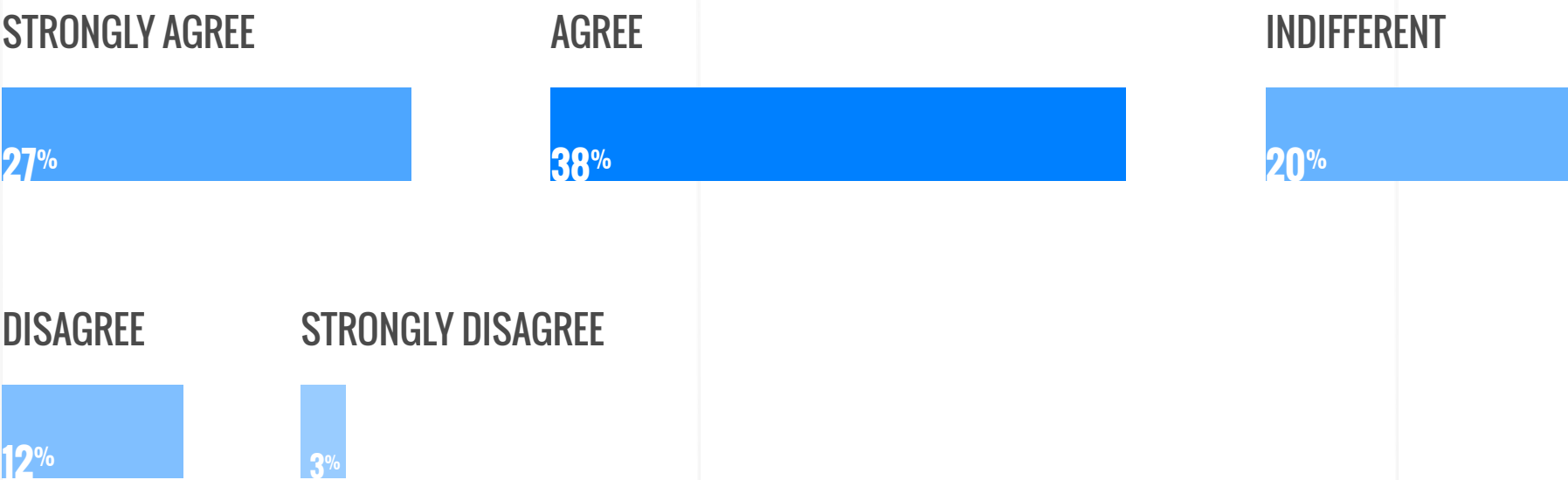
INSIGHT: MARKETERS USE ENGAGEMENT METRICS TO DETERMINE THE SUCCESS OF BRAND MARKETING.

Brand Marketing Metrics

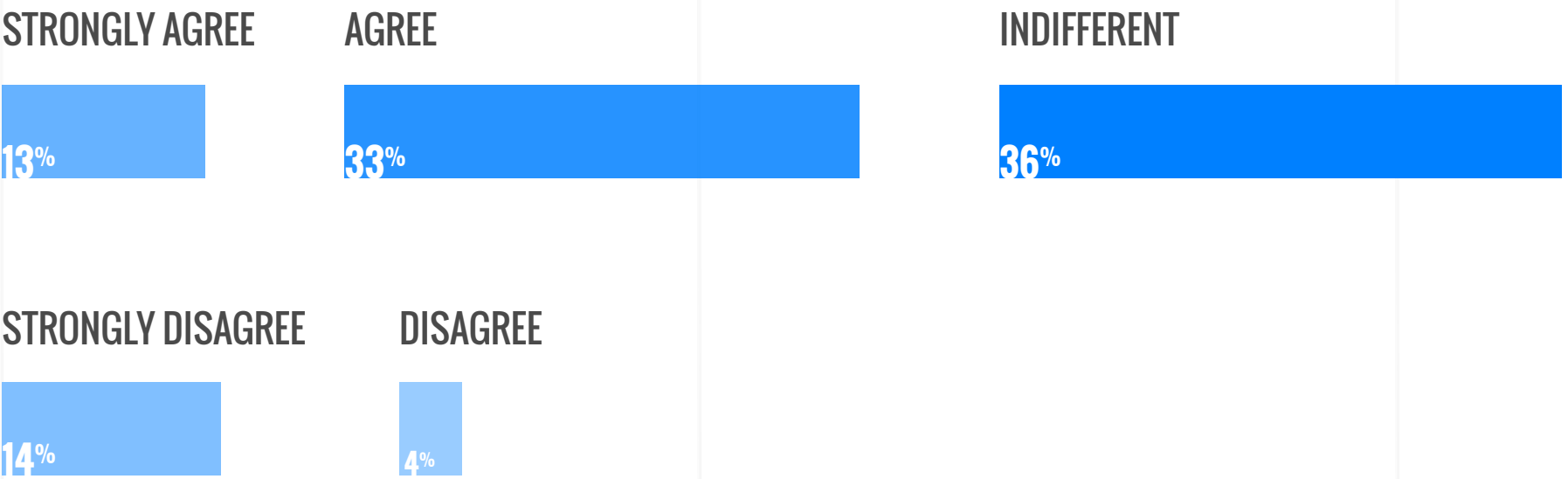
CUSTOMER ACQUISITION AND RETENTION

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 has increased our **new customer acquisition**.



Brand marketing has increased **customer renewal rate**.

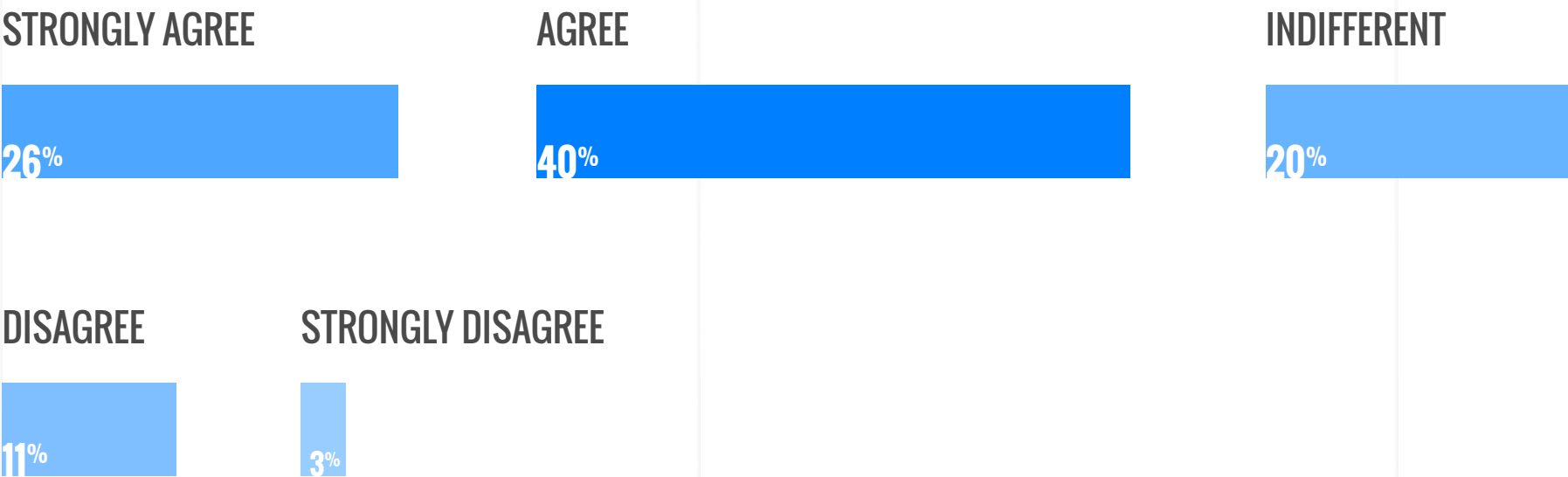


Brand Marketing Metrics

SUBSCRIBER GROWTH AND AUDIENCE ENGAGEMENT

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 audience 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

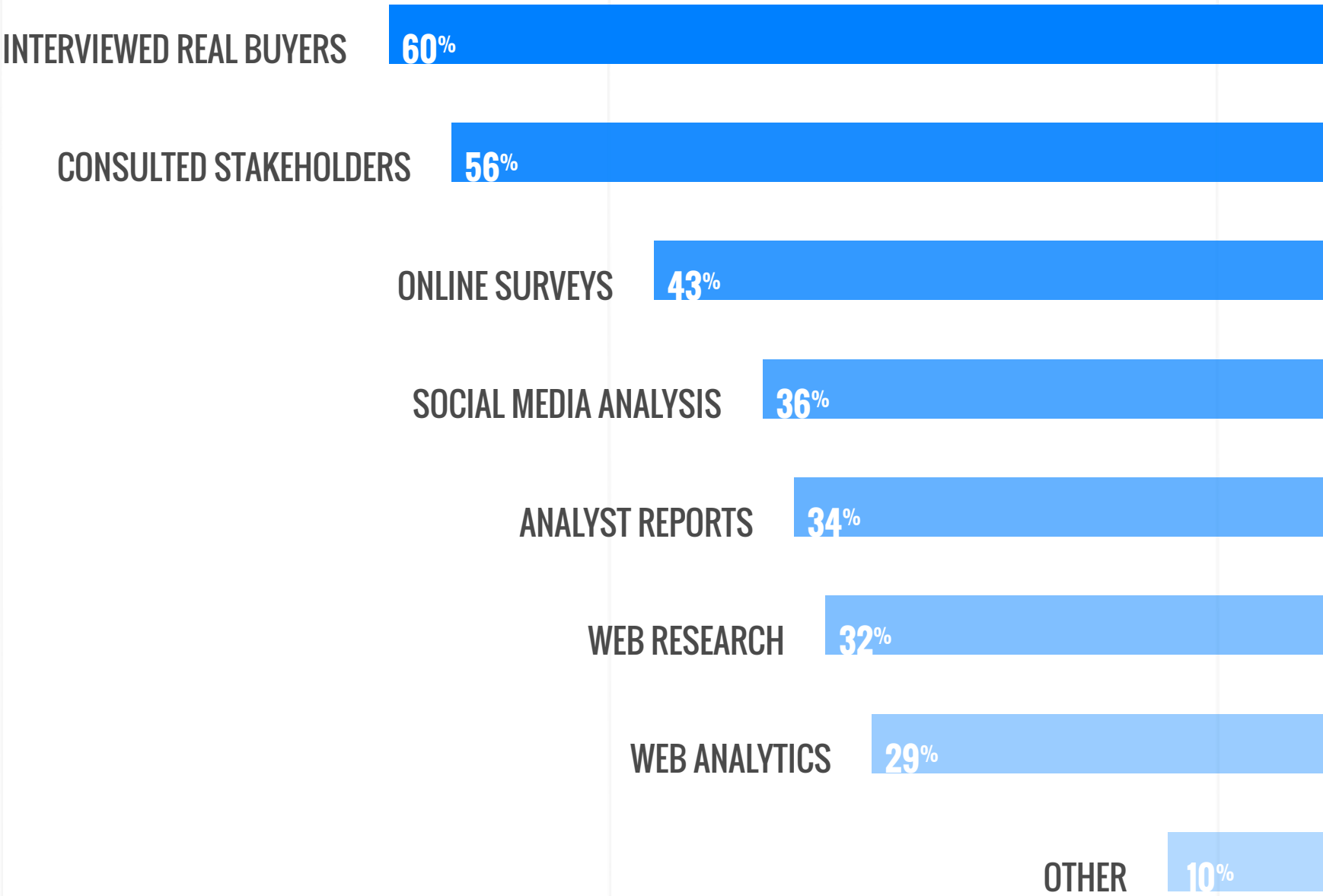
BUYER PERSONAS

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?



How did you build your buyer persona?

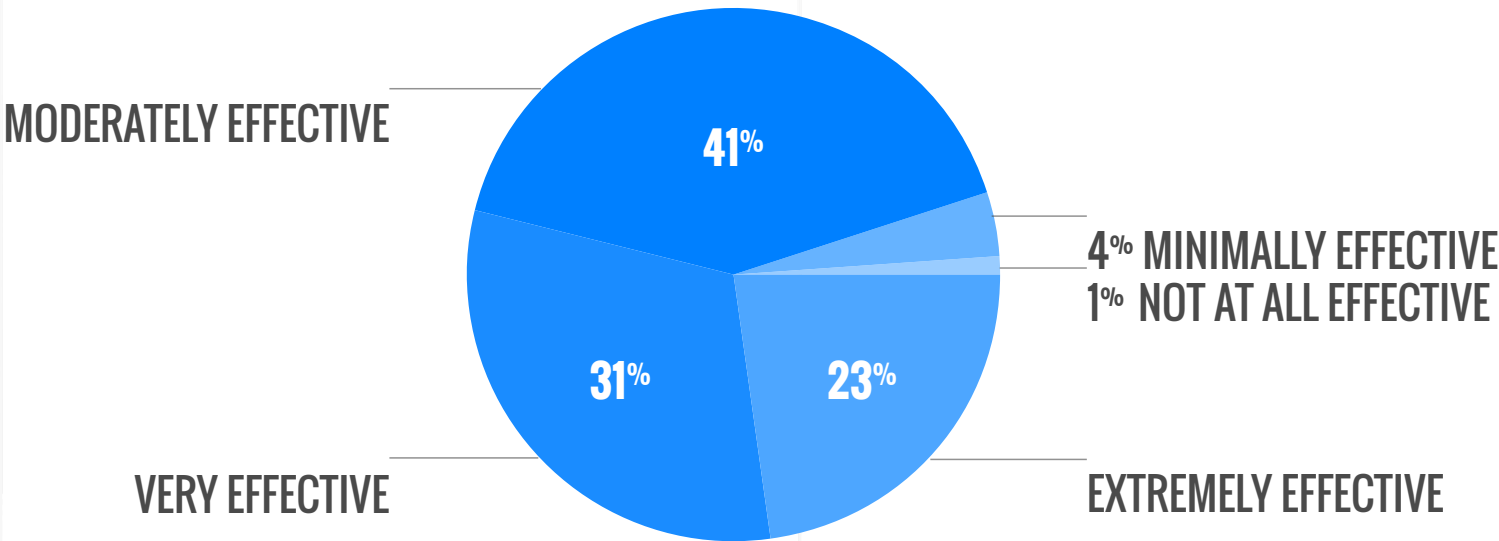


Audience Targeting

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?



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



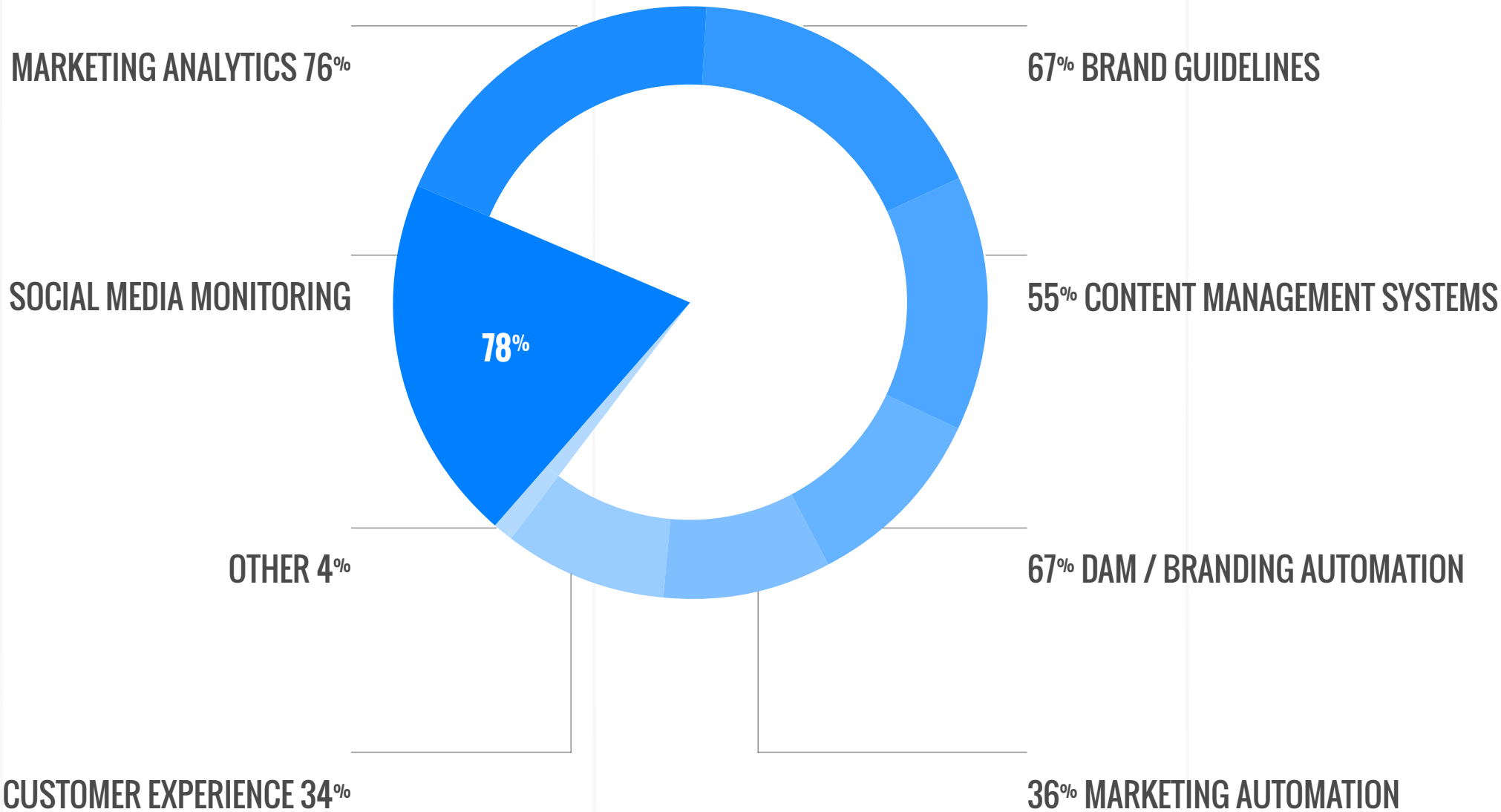
INSIGHT: BUYER PERSONAS ARE ONLY MODERATELY EFFECTIVE FOR 41% OF MARKETERS.

Technology

CURRENT MARKETING TOOLS

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.

Which marketing tools does your organization currently use?

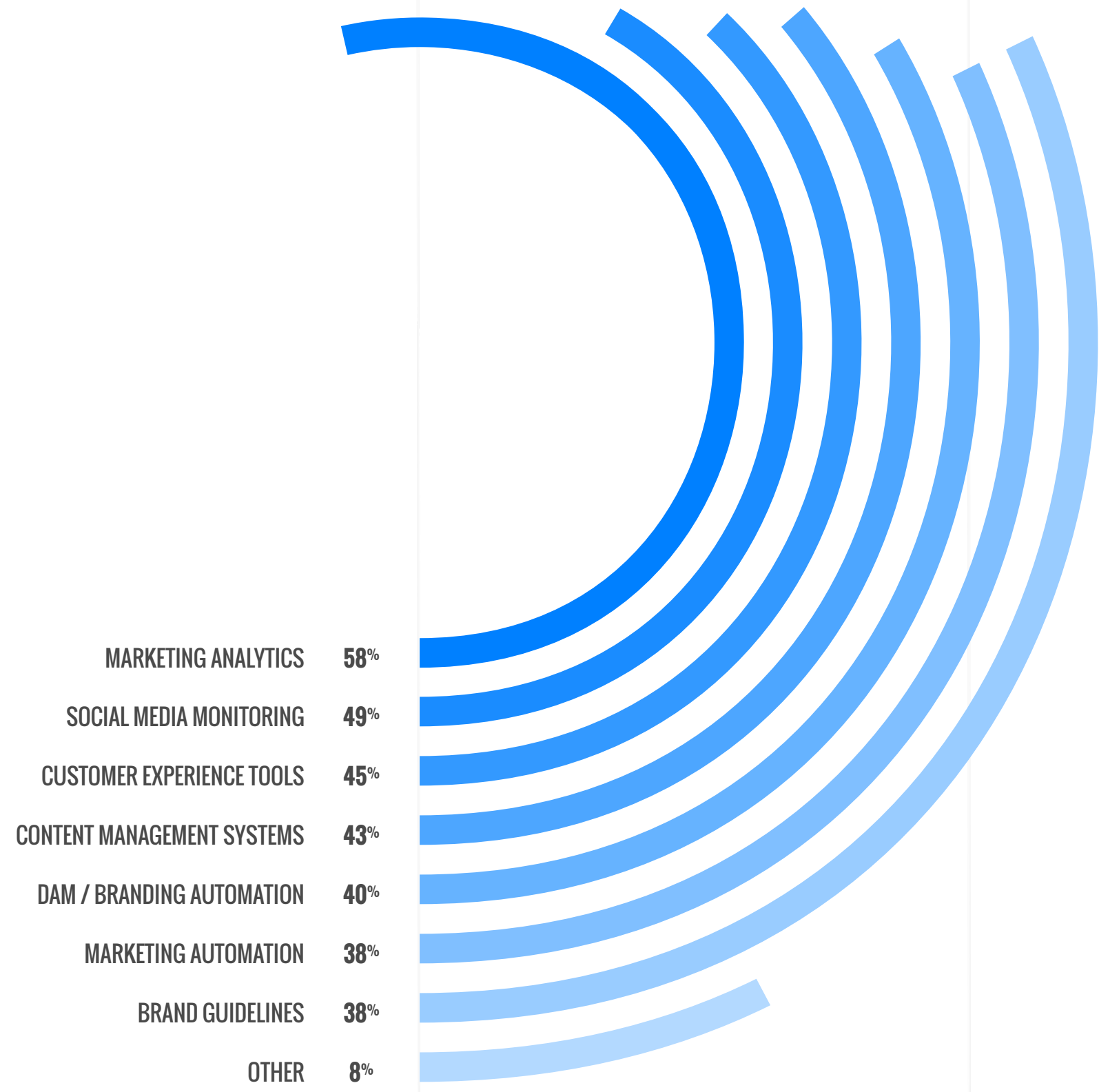


Technology

INVESTING IN 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?

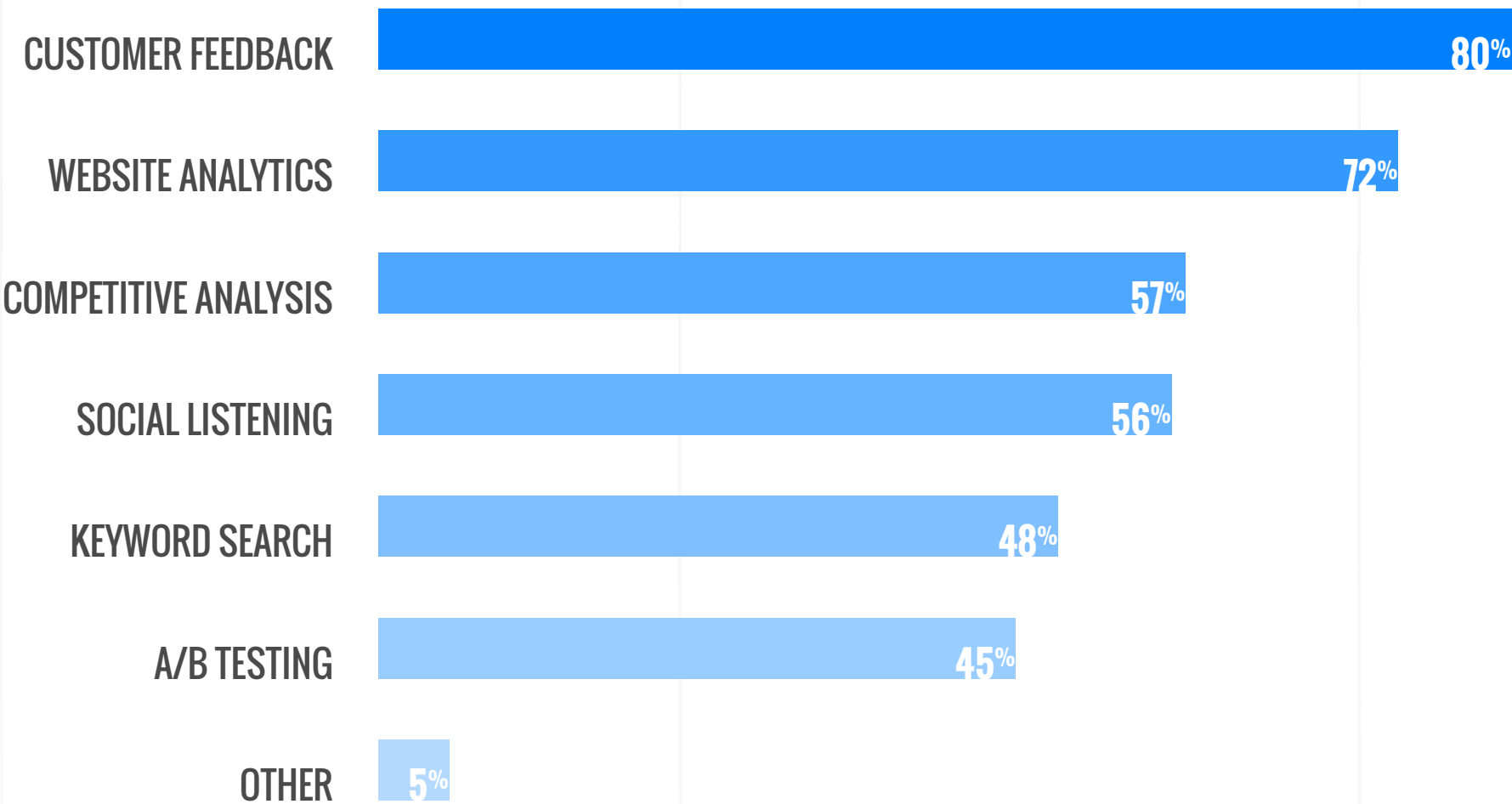


Technology

UNDERSTANDING TARGET AUDIENCE

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.

Which techniques does your organization use to gain knowledge about its target audience?



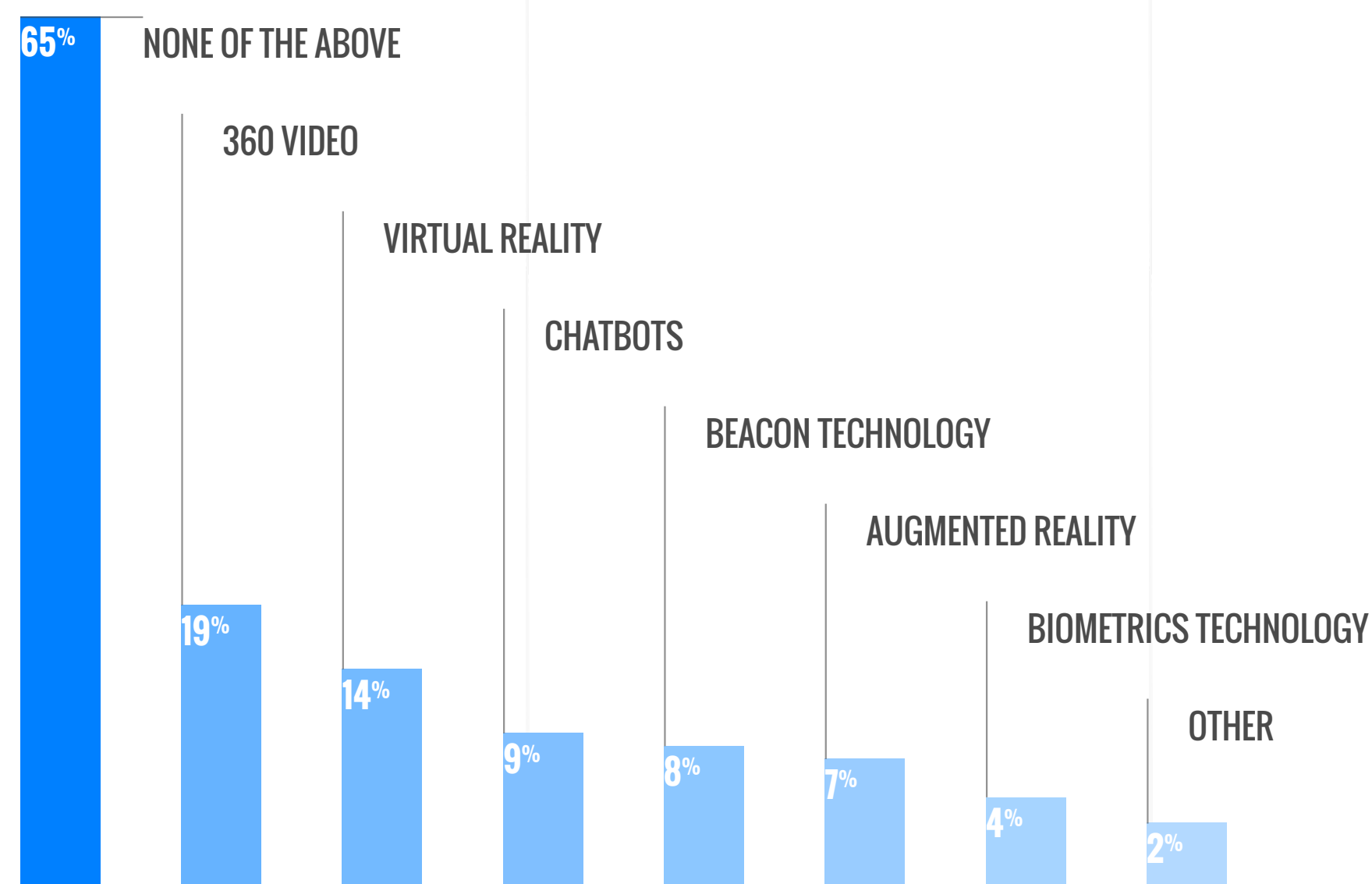
INSIGHT: CUSTOMER EXPERIENCE TOOLS WILL BE A MAJOR INVESTMENT FOR MARKETERS IN 2017.

Technology

INVESTING IN NEW TECHNOLOGIES

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%).

Which of the following **technologies** will you **invest** in for marketing purposes in 2017?



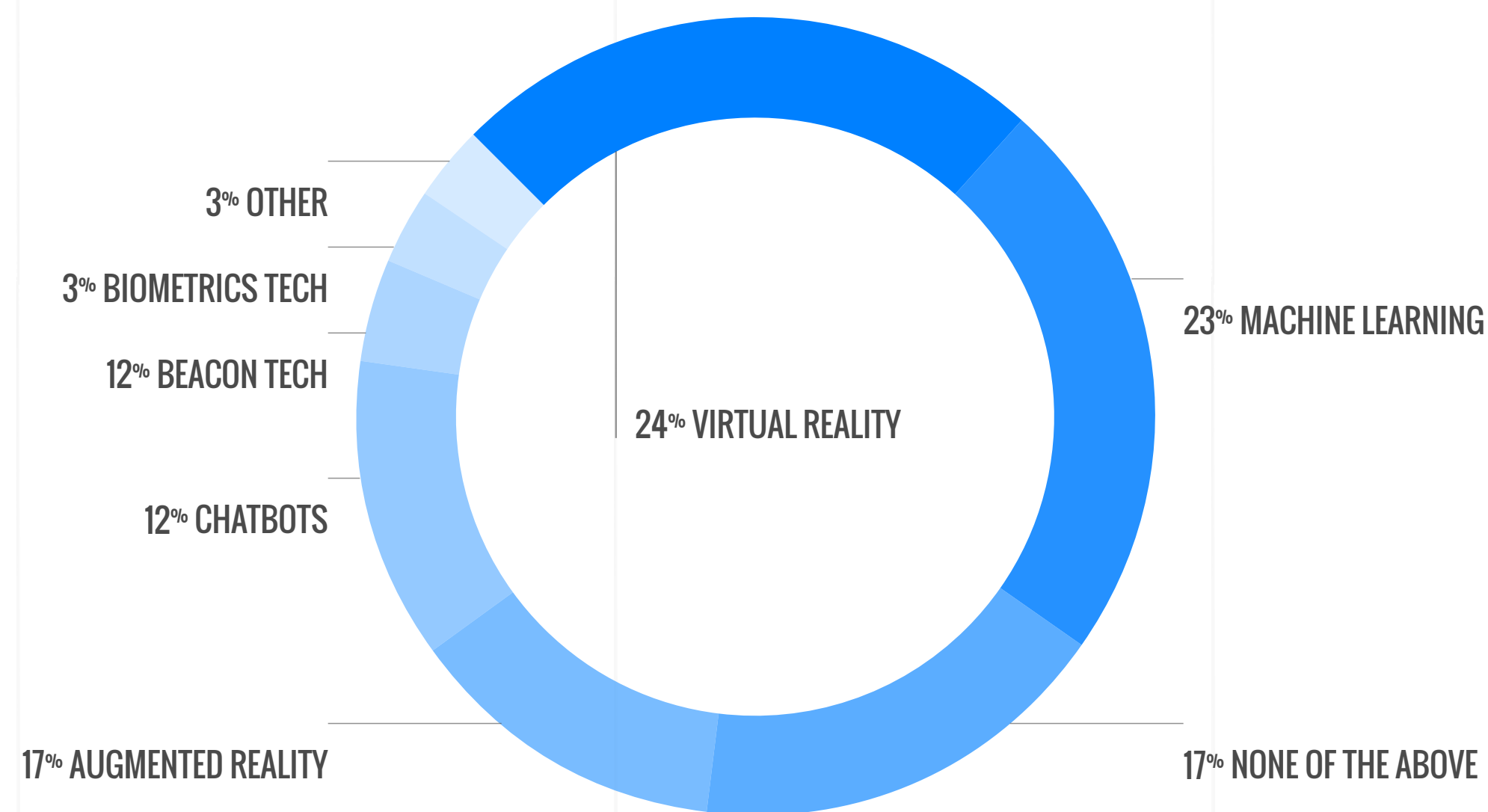
INSIGHT: 70% OF MARKETERS RECOGNIZE THE VALUE OF VR AND AR, BUT WILL NOT INVEST IN 2017.

Technology

INNOVATIONS IMPACTING MARKETING

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.

Which **technology** do you think will have the biggest **impact** on marketing in the next 5 years?



INSIGHT: VIRTUAL REALITY WILL HAVE THE BIGGEST IMPACT ON MARKETING IN THE NEXT FIVE YEARS.

Technology

THE MOST DISRUPTIVE FORCE

We asked our respondents to tell us what they think will be 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

Technology

THE MOST DISRUPTIVE FORCE

The answers we received varied from artificial intelligence to changes in online shopping, from sustainable businesses to demands for talent.

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

Angela Hill
CEO
Incitrio

“The millennial generation coming of age and becoming the dominate spending force will have the most disruptive force on our industry.”

Rob Holder
Director of Beverage & Brand Development
JNK Concepts

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

Cozette Phifer
VP Marketing & Communications
Swift Transportation

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

Eva Karlsson Nordlöf
Consultant Brand Manager
Akrida AB

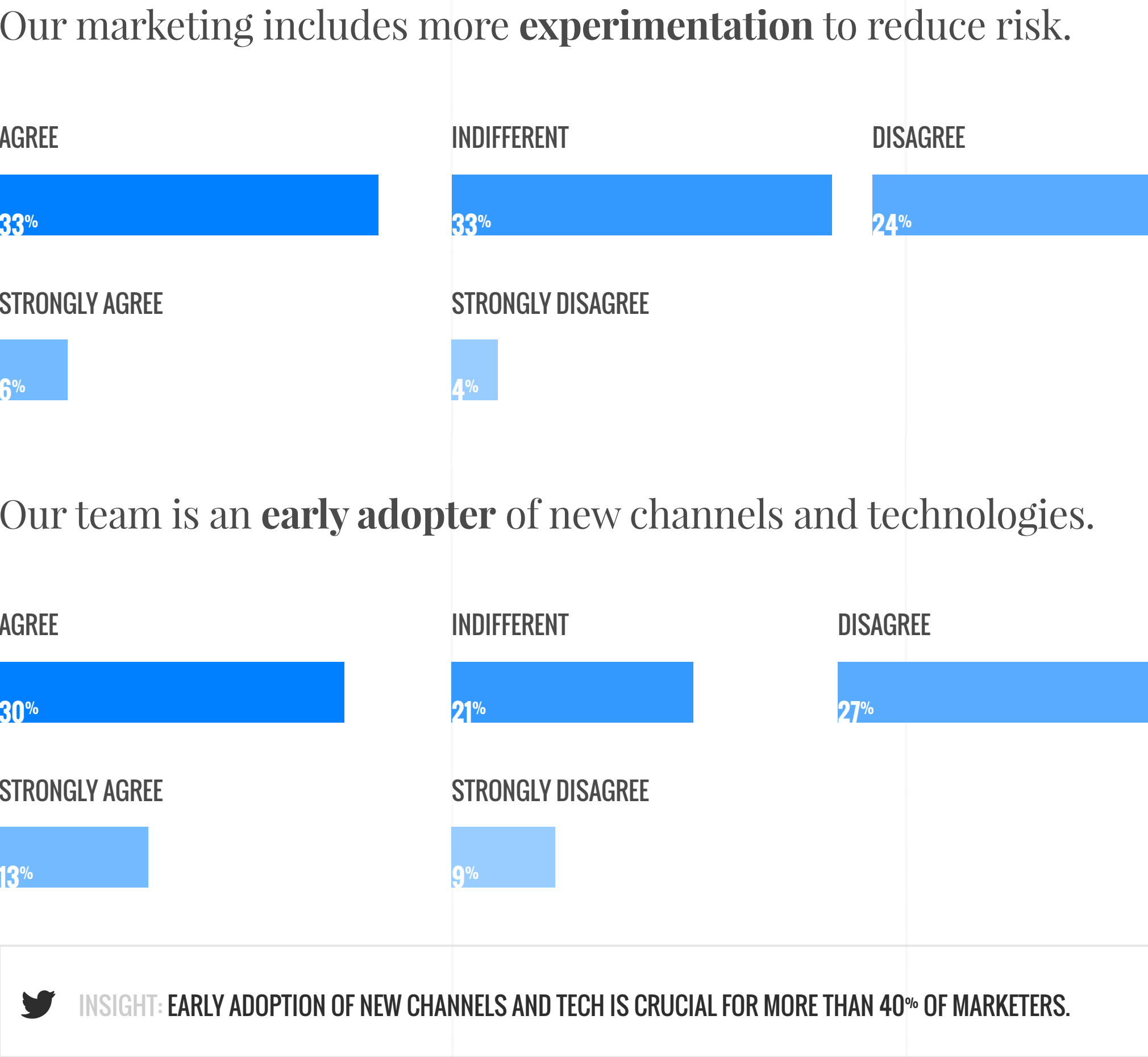


INSIGHT: AI WILL BE THE MOST DISRUPTIVE FORCE TO AFFECT MARKETING JOBS IN THE NEXT 5 YEARS.

Technology

APPROACHES TO DIGITAL MARKETING

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.

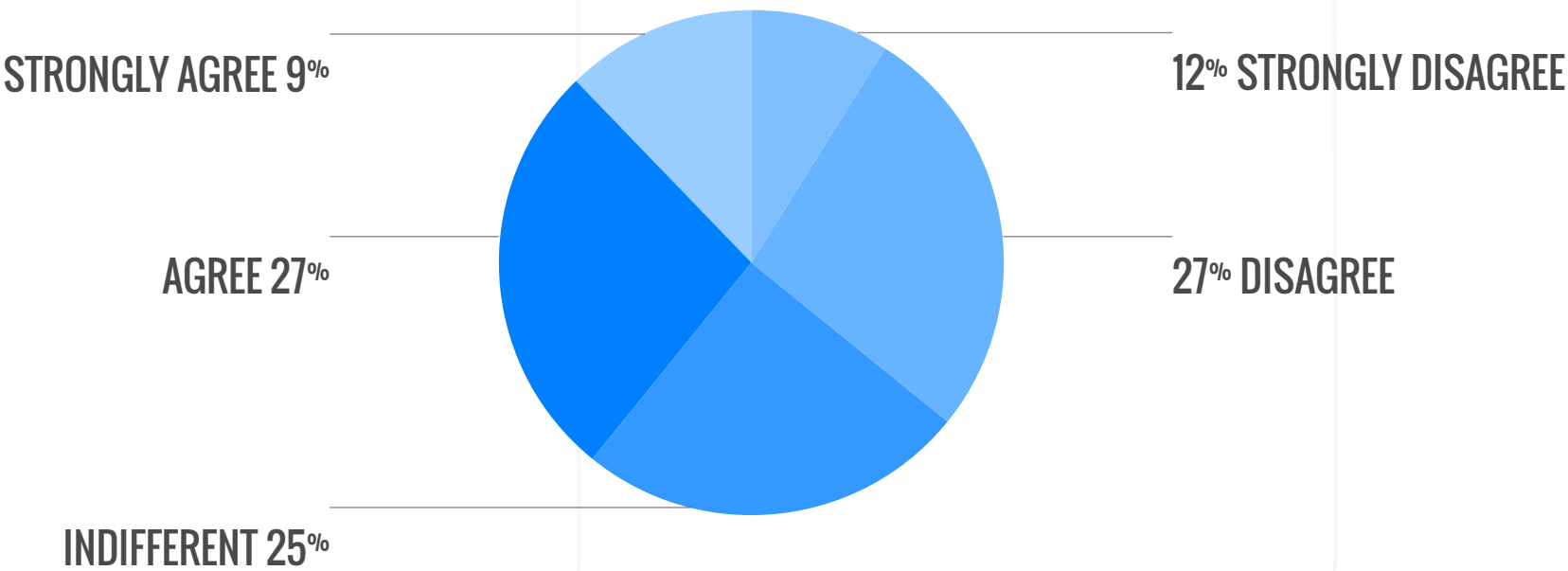


Technology

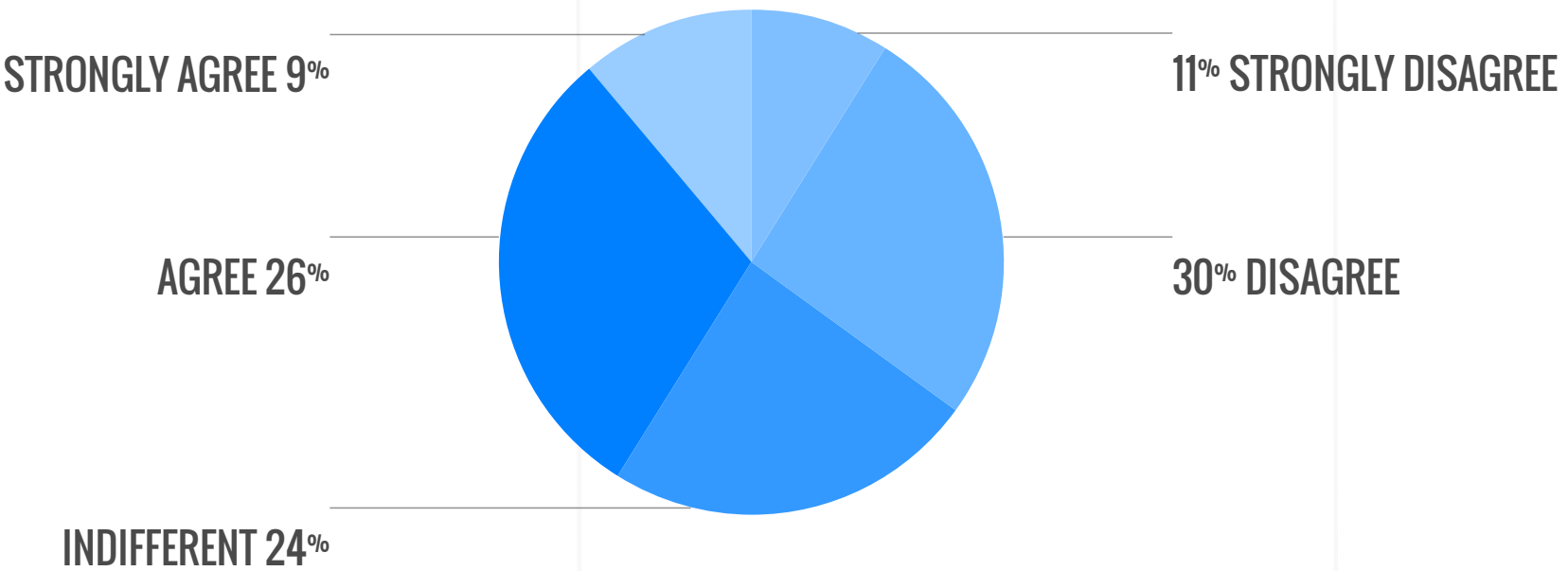
APPROACHES TO DIGITAL MARKETING

Nowadays marketers have a wealth of data at their disposal, but only 33% of our respondents leverage data to create personalized and human interactions with consumers. Despite mobile consumption rising exponentially, only 35% of marketers surveyed take a mobile-first approach to marketing campaigns.

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.



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