

THE MARKETING FORUM

RESEARCH REPORT

2011/2012



The Marketing Forum – Marketing Report

From 12th-15th October 2011 over 250 senior marketers, service providers and industry experts joined together on board the Aurora to debate current hot issues, forge new business relationships and develop personal networks.

Each year we produce a marketing report generated from the views and opinions of the marketers attending.

So if you'd like to know (amongst other things) what it is that's keeping marketers awake at night, where they are spending their budgets, what they think of agencies, plus information about what The Marketing Forum can do for you, then please read on.

For further information about The Marketing Forum or general feedback about the report, please just get in touch or follow us on Twitter and LinkedIn, the addresses of which can be found below.

I hope you enjoy the report.

Kind regards,

David Clark


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The Marketing Forum

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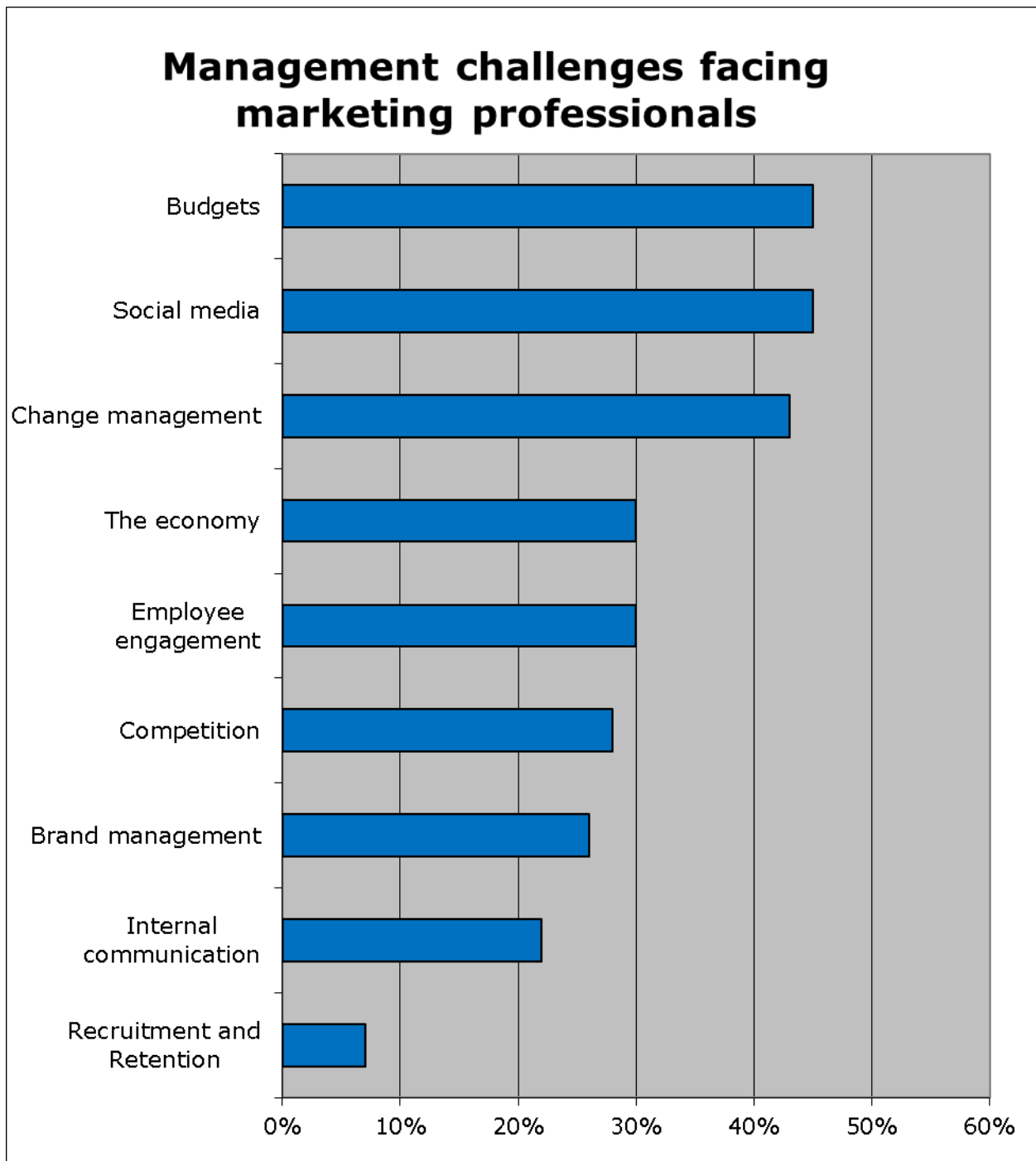
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 http://twitter.com/Marketing_Forum

 <http://uk.linkedin.com/in/marketingforum2012>

Management challenges facing the industry



- Budgets and social media are the joint number one management challenges facing senior marketers, very closely followed by change management. Whether this 'change' is positive or not we don't know, but other signs of optimism in this report point to the former.
- Despite there being no escape from it elsewhere, the economy is only 4th on the list of challenges. Let's hope this is an indication of things to come.
- Internal communication and brand management offer not inconsiderable obstacles to a significant minority in the 20-30% range.
- At the other end of the scale recruitment and retention sits at the bottom of the graph, with only 7% of marketers anticipating it being a challenge in 2012.

Challenges currently keeping marketers awake at night

Asked what issues, be it management, technical or personal, are currently keeping marketers awake at night the top eight (open-ended) responses were as follows:-

- Budget cuts
- The economy
- Global brand challenges
- Increasing ROI / effectiveness
- Change management
- Time management
- Internal politics
- Competition

Budgets

Having seen the importance of budgets, we asked the marketers what they expect to happen to theirs over the coming 12 months. For a comparison, last year's figures can be seen in brackets.

- Increase – 48% (36%)
- Decrease – 13% (10%)
- Remain the same – 39% (54%)

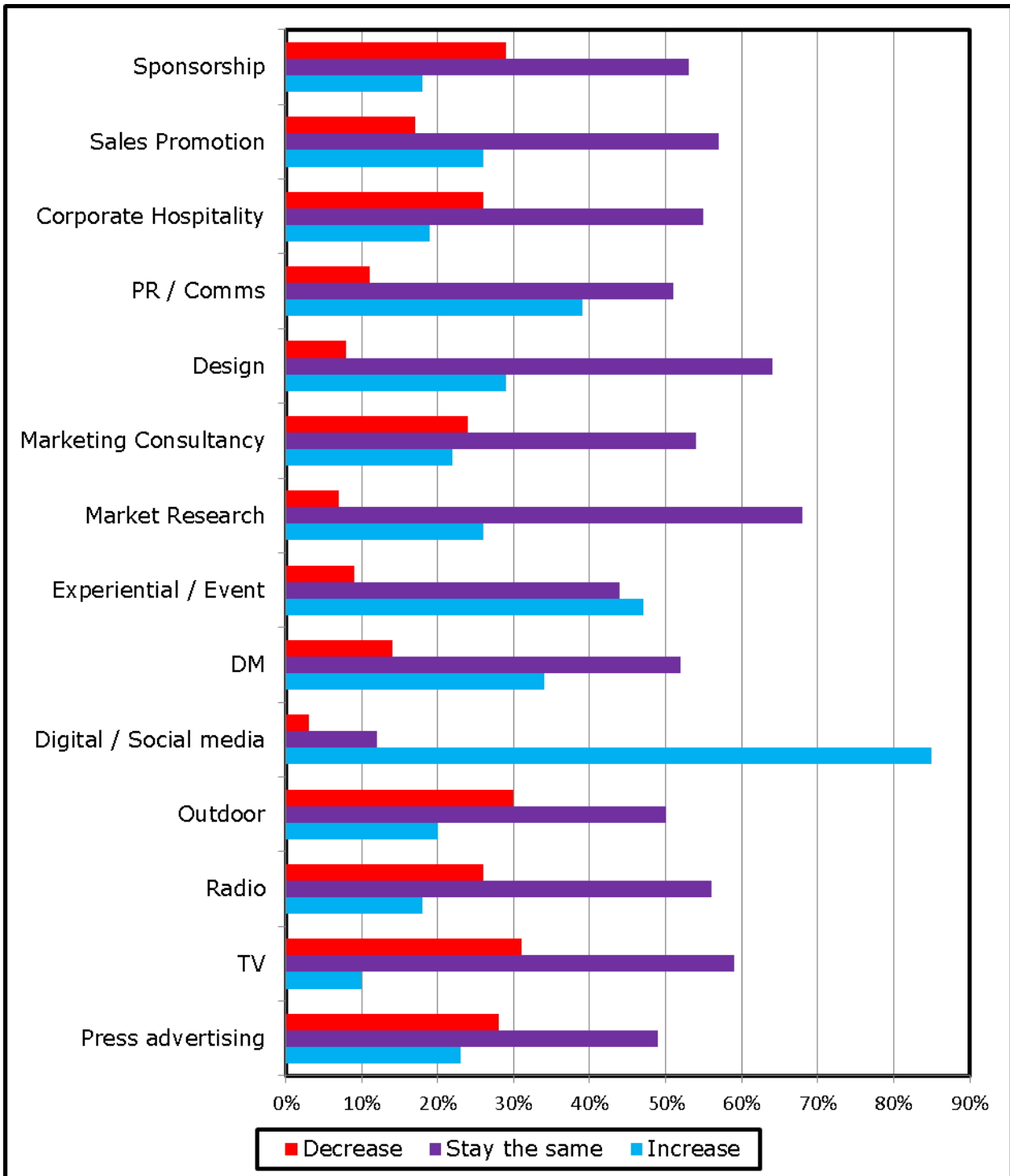
On the whole a slightly more positive outcome than may have been expected. More marketers are expecting an increase than last year (now almost half), whilst only just over 1 in 10 are expecting a decrease.

One can only assume that the 48% expecting their budget to increase aren't the same group claiming that budgets are the main factor keeping them awake at night!

Of the marketers who expect an increase in their budget this year the average amount is by 12.4%. Of those that expect a decrease the corresponding average is 13.4%.

% change	Increase	Decrease
0 – 5%	34%	34%
6 – 10%	34%	25%
11 – 20%	6%	8%
21 – 30%	9%	25%
30% +	17%	8%
Average	12.4%	13.4%

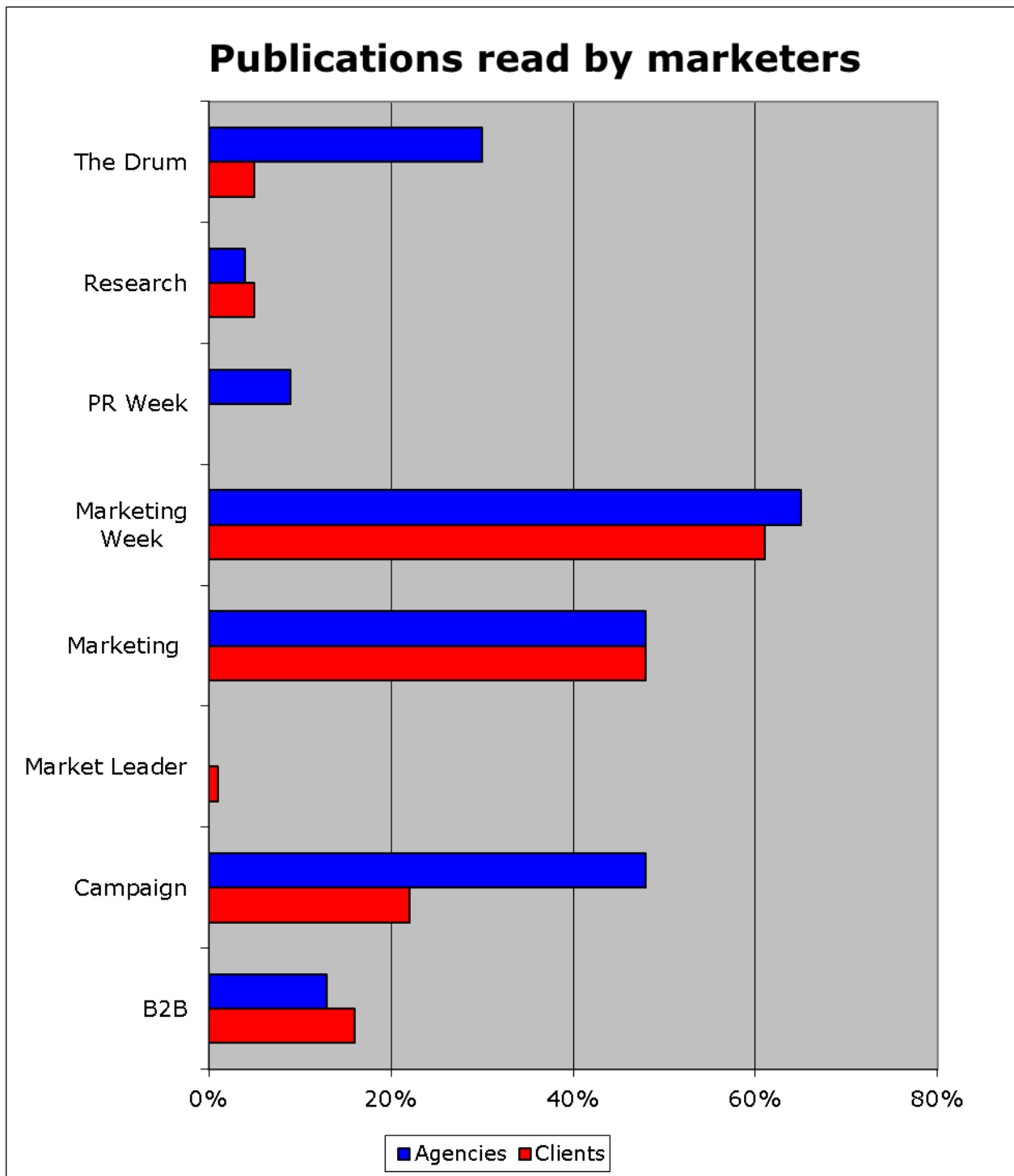
So having seen an overview of what's happening with budgets we asked the clients to indicate any changes in the level of expenditure on each of these marketing channels and activities over the next twelve months.



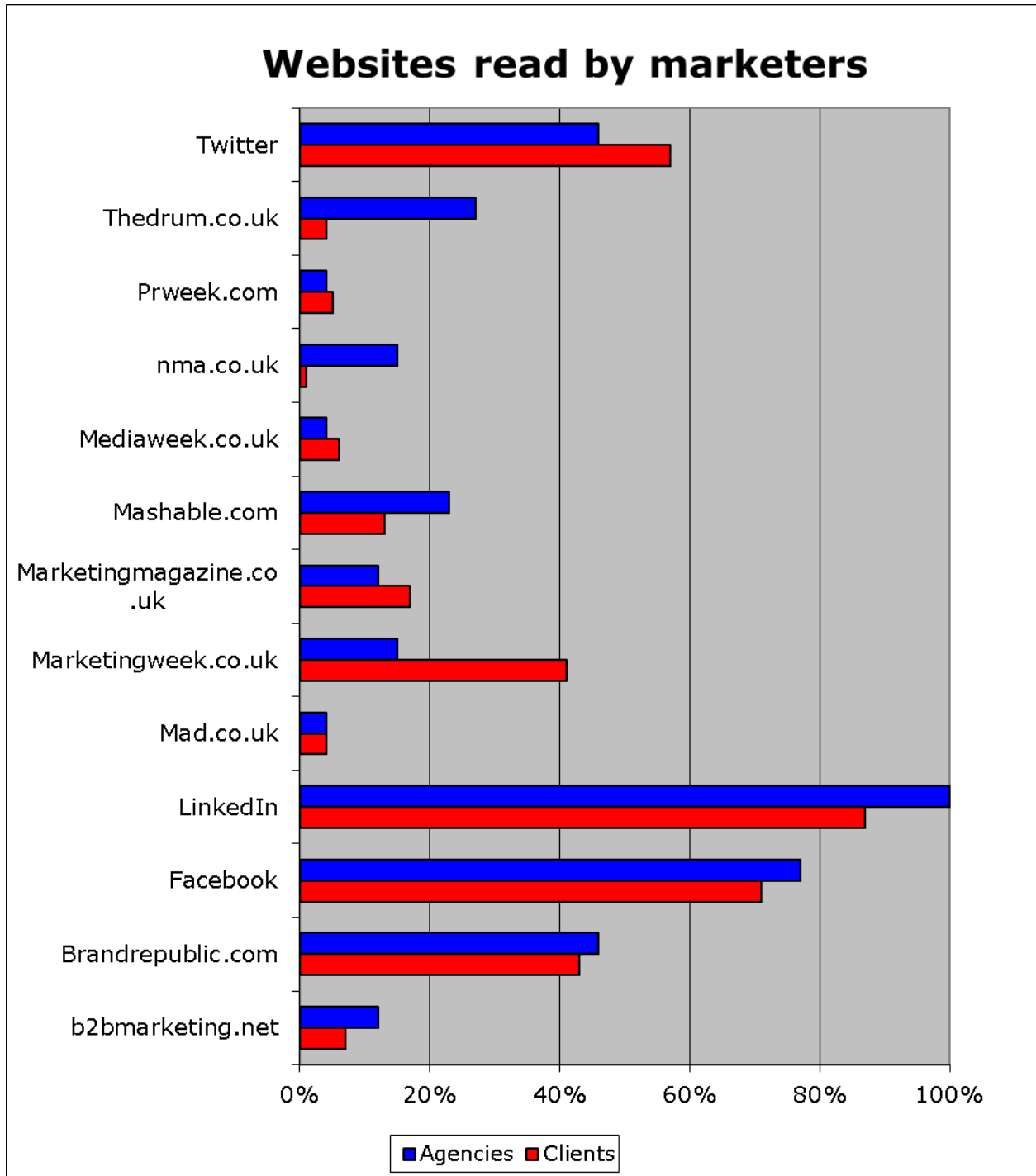
- No surprise that the biggest winner is digital / social media with 85% of marketers indicating they expect to increase their spend in this area in 2012.
- Other channels seeing an increase are experiential, PR & Comms and DM.

Readership

Asked what they read to keep up with industry developments, the following graph shows the most popular publications. We asked this question to both clients and agencies.



Asked what websites marketers read to keep up with industry developments, the following graph shows the most popular responses.



- Of most interest is that 100% of agencies say they use LinkedIn, as do 87% of clients.

The client audience

This year the event attracted over 250 senior marketers. The client demographics are shown below:

- The average company marketing budget is £68.5m
- The average personal marketing budget is £10.4m
- The average company turnover is £571m
- The average company headcount is 13,819 employees
- Average number of employees working in marketing function – 62
- Position in company:
 - Head of business unit / department – 53%
 - Board director – 17%
 - Owner / partner / company director – 6%
 - Senior manager – 24%

In terms of which sectors clients come from, the audience is diverse. In 2011 it was split as follows:-

Financial Services	17%	Leisure	4%
Travel & Tourism	11%	Charity	4%
Manufacturing	7%	Charity	4%
Business Services & Consultancy	7%	Telecommunications	4%
Food & Beverages	6%	Construction	4%
Education	5%	Transport	3%
Retail	5%	Energy & Utilities	3%
Real Estate	4%	Other	8%
Media	4%		

Why do clients attend?

Opportunity to investigate potential future agencies – 78%

A desire to keep up to date with industry developments – 69%

Opportunity to meet other senior marketers – 65%

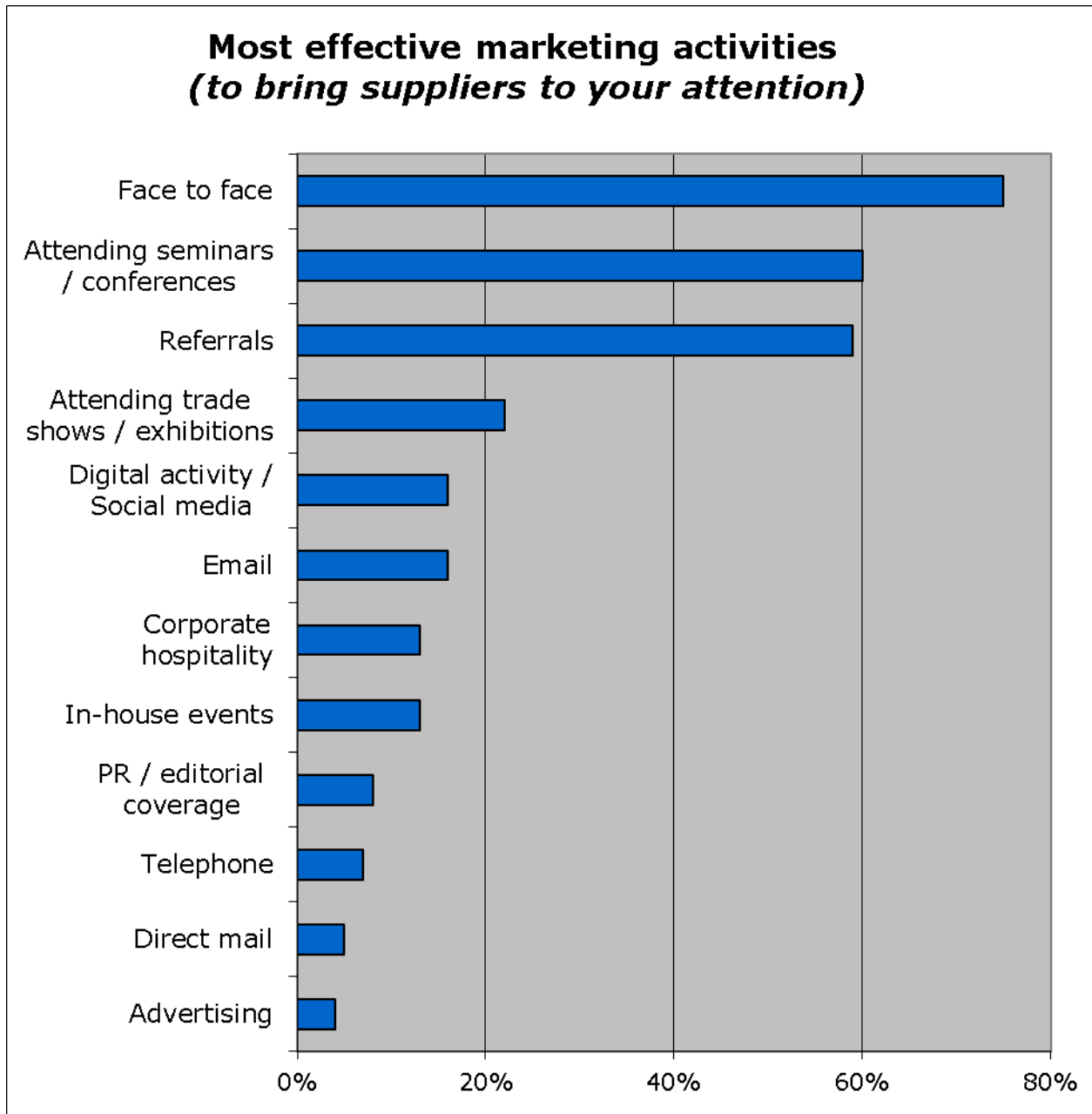
What do clients buy?

When a client signs up to attend The Marketing Forum they are asked about their spending intentions over the coming year. The following table shows the top areas where budgets will be allocated in 2012.

Area	Clients at The Marketing Forum responsible for the following areas
Advertising	76%
Digital	63%
PR / Communications	61%
Design	61%
Direct Marketing	59%
Branding	59%
Media	54%
Marketing Consultancy	51%
Market Research	50%
Sales Promotion	49%
CRM / Database Management	49%
Exhibition stands	45%
Experiential / Event Marketing	39%
Sponsorship	37%

How do they buy?

Clients also told us which marketing activities they find most effective in bringing suppliers to their attention.



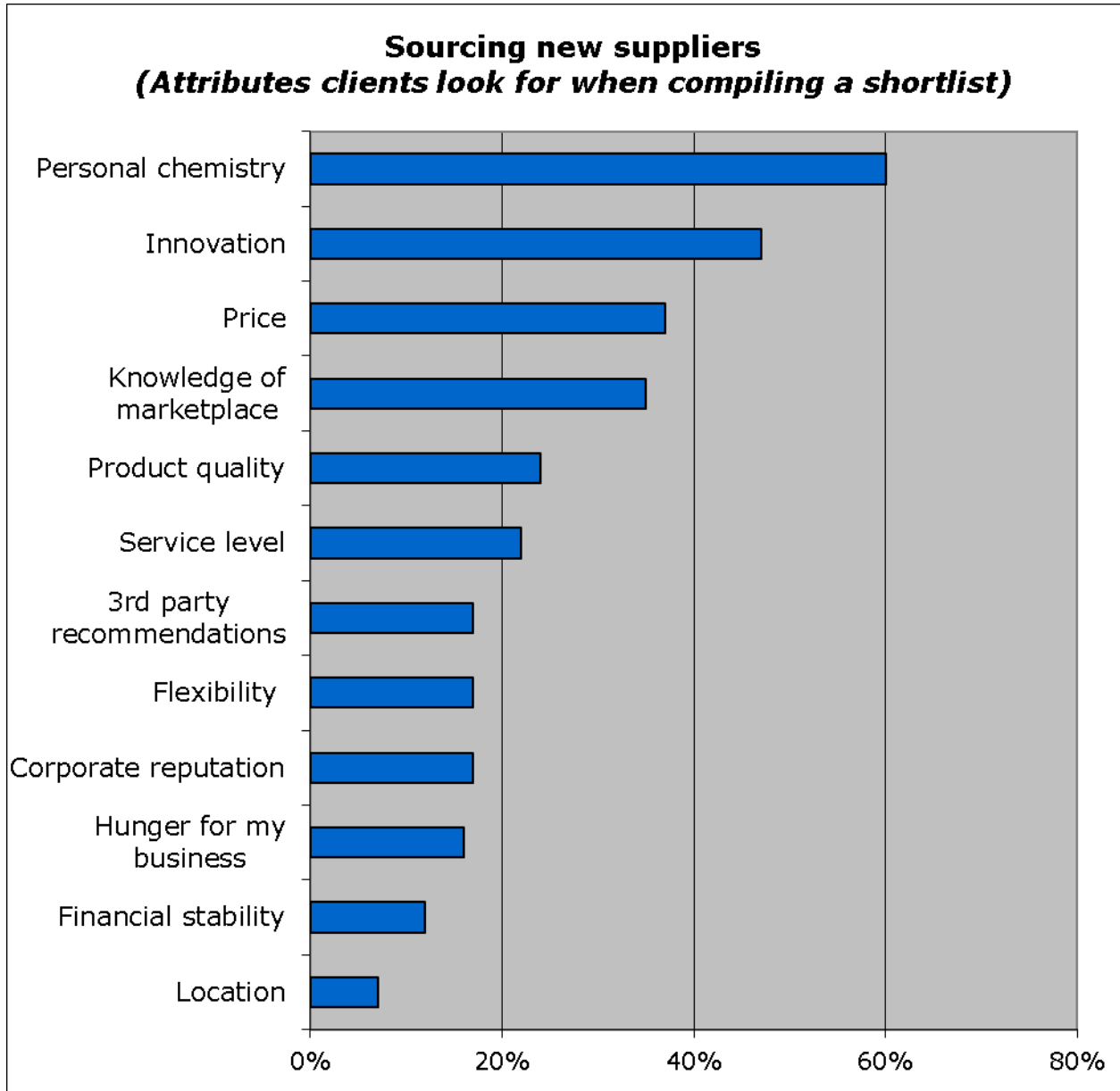
We also asked them how many supplier prospects clients talk to during a year as well as how many they actually appoint.

	Talk to	Appoint
None	4%	n/a
Less than 5	28%	88%
5 - 10	42%	10%
10 - 25	20%	2%
25+	6%	0%

On average a marketer will talk to **10 new supplier** prospects during a year and will appoint on average **3.9**.

What do they look for in a supplier?

We then asked clients to tell us what are the main attributes they look for when compiling a shortlist of suppliers.



The 2 top areas senior marketers are looking for in new suppliers are personal chemistry and innovation.

They are less concerned with a supplier’s location, financial stability and hunger for my business.

The agency viewpoint

The main appeal for agencies attending The Marketing Forum is that the event is a highly efficient use of their time, with each agency having an average of 40 meetings and introductions over the course of the event.

So that we fully understand agencies' requirements, we asked them what sectors they are currently targeting. You can see from the table below that companies targeting marketers are nothing if not consistent, with the Financial Services and Retail sectors being 1st or 2nd in the list for the last 4 years.

There is a new entrant at number 5 with the Leisure sector, whereas places 3 & 4 are taken up with familiar names: Telecommunications and Travel & Tourism.

	2011/12	2010/11	2009/10	2008/09
1	Financial Services	Financial Services	Financial Services / Retail	Financial Services
2	Retail	Retail	Travel & Tourism	Retail
3	Travel / Tourism	Consumer Product Manufacturers	Telecommunications	Travel / Tourism
4	Telecommunications	Telecommunications	Food & Beverage	Food & Beverage
5	Leisure	Travel / Tourism	Business Services & Consultancy	Telecommunications

What about the ROI?

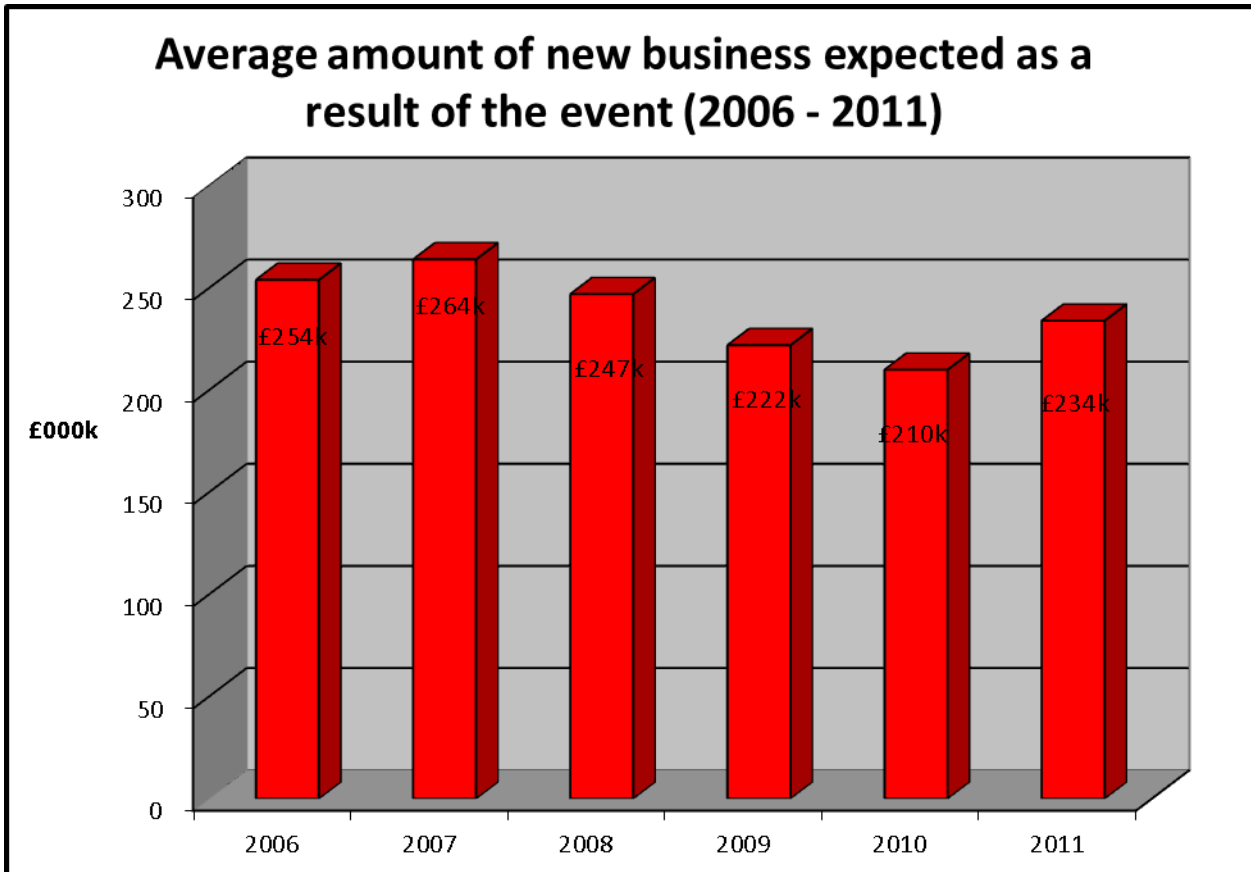
We know it's hard to quantify ROI, but we do our best. At the end of the event each client is asked to indicate when (if at all) they wish the agency to follow up with them, once they are firmly back on dry land.

Follow up meeting ASAP	13.3%
Follow up meeting within 3 months	24.2%
Follow up meeting within 6 months	22.2%
Follow up meeting within 1 year	8.6%
No follow up meeting	31.7%

In total there were 2,618 client / agency meetings at The Marketing Forum 2011. Based on the feedback above there will be another 1,788 meetings following on from those initial get-togethers.

Worth how much money?

After attending The Marketing Forum we ask each agency to estimate how much revenue they expect to generate. The following table shows the average figure for all the companies on board each year dating back to 2006, and illustrates what an effective new business tool it has become for agencies. The 2011 figure of £234,615 shows the average amount of business generated has held at recent levels despite the difficult economic times.



Finally, to further quantify the approximate revenue agencies expect to generate as a result of attending, we ask them how much they've achieved as a direct result of attending **previous** Marketing Forums (obviously not inclusive of 2011).

Up to £50k	31%
Between £50k - £100k	23%
Between £100k - £300k	0%
Between £300k - £500k	23%
Between £500k - £1m	0%
Between £1m - £2m	23%
£2m+	0%
Mean amount	£463,461

Of the agencies that have experienced previous events **76%** said they'd won new business as a direct result of attending.

To mirror the above questions, we asked clients their spending intentions as a result of attending the event. Firstly, what is their estimate of the value of business they conservatively expect to place over the next 12 months with agencies they've met at The Marketing Forum?

None	0%
Up to £50k	45%
£50k - £100k	21%
£100k - £300k	21%
£300k - £500k	9%
£500k - £1m	3%
£1m - £2m	0%
£2m+	1%
Mean amount	£158,552

Clients expect to place an average of £158,552 with agencies they met on board.

The Marketing Forum 2012



We are delighted to announce that **The Marketing Forum** 2012 will be our 20th anniversary. 1993 was the first year that we set sail. That event, on board the Canberra, sailed out of Southampton in September 1993 carrying the cream of the UK's marketing industry.

The audience settled down to an opening address entitled, 'The Changing Consumer', as well as enjoying conference sessions, 'Media – visions for the future' and 'Innovation – the art of survival'. The evenings were spent (by some!) in the disco dancing to favourites such as Jazzy Jeff & The Fresh Prince, the top selling single at the time.

Fast forward to today and whilst many things have changed, the fundamentals of the event remain the same – it is an opportunity to get valuable face time with some of the most senior clients in the UK. Our 2012 aim is simple. We intend to bring 200 of the UK's most senior clients and 70 leading agencies together on the Aurora from 10th – 13th October 2012.

We hope you are able to join us.