Australian Marketing Institute

Senior Marketer Monitor 2013

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Background & Methodology

AUSTRALIAN MARKETING INSTITUTE

The Australian Marketing Institute (AMI) commissioned Colmar Brunton to conduct a study of Australia's senior marketing professionals.

The aim of the study is to understand senior marketer sentiment, priorities, perspectives and challenges in the current marketing environment.

The first online survey was administered in 2009 to a selection of Australian Marketing Institute members and Colmar Brunton clients who were senior marketing professionals. The study was repeated in 2010, 2011 and 2012. The 2012 fieldwork was conducted in November and December 2012 and included responses from n=259 senior marketers.

Key Findings

Overall, the results of the Senior Marketer Monitor in 2012 are mixed for the marketing profession. Given continued financial uncertainty, it is encouraging that marketing budgets, overall, are budgeted to increase albeit only 1%. Marketers are positive about the role of marketing in Australia, and in particular it is smaller organisations that are growing fastest and most positive.

Marketing Budgets

One third (34%) are expecting their marketing budget to increase in 2013 and 38% are expecting it to remain the same. On a total level, senior marketers have indicated a total marketing budget increase of about 1% in 2013. Encouragingly, of the organisations who are expecting an increase, an average budget increase of 16% is expected. Organisations with a turnover of under $150 million were more likely to expect an increase in their budget for 2013.

Marketing Priorities and Challenges

The top marketing priorities include measures to increase sales, maximising efficiency of marketing expenditure, and focusing on more profitable market segments. Overall, there was slightly more emphasis on increasing sales and less focus on efficiency and brand building compared with previous years.

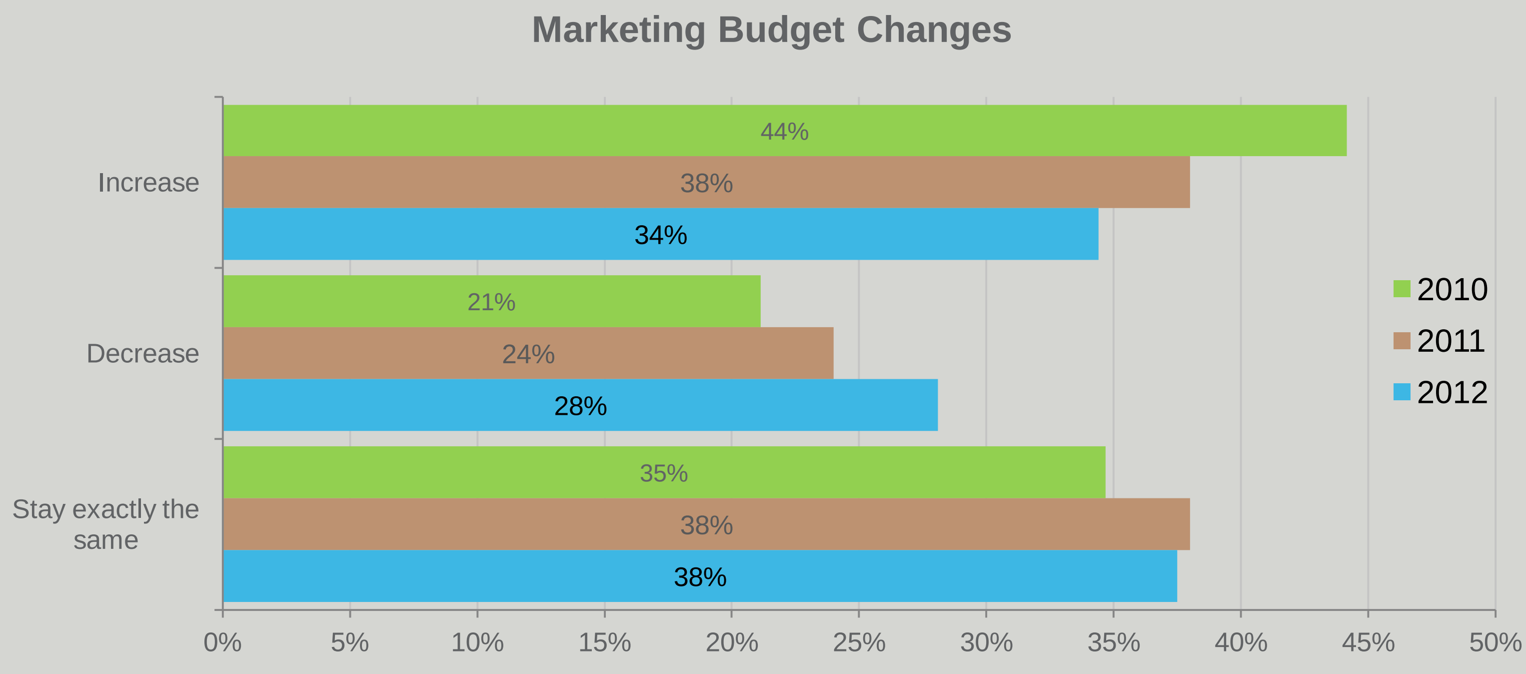
Shifts in Communications Channels

The use of social networking and Web 2.0 as a communication channel continues to grow, but the growth in this channel is less pronounced than in 2011. The popularity of Viral marketing has decreased somewhat with less intending to use this channel more, compared with previous years.

Role and Influence of Marketing

Similar to 2011, most senior marketers (76%) feel positive about the role and influence of marketing in Australia.

One third (34%) expect their marketing budget to increase in 2013, which is fewer than a year ago. In total, 28% expect a decrease in 2013 and 38% expect their budget to stay the same.



Q3A. In 2013, how do you expect your marketing budget to change from 2011? Do you expect it to...?

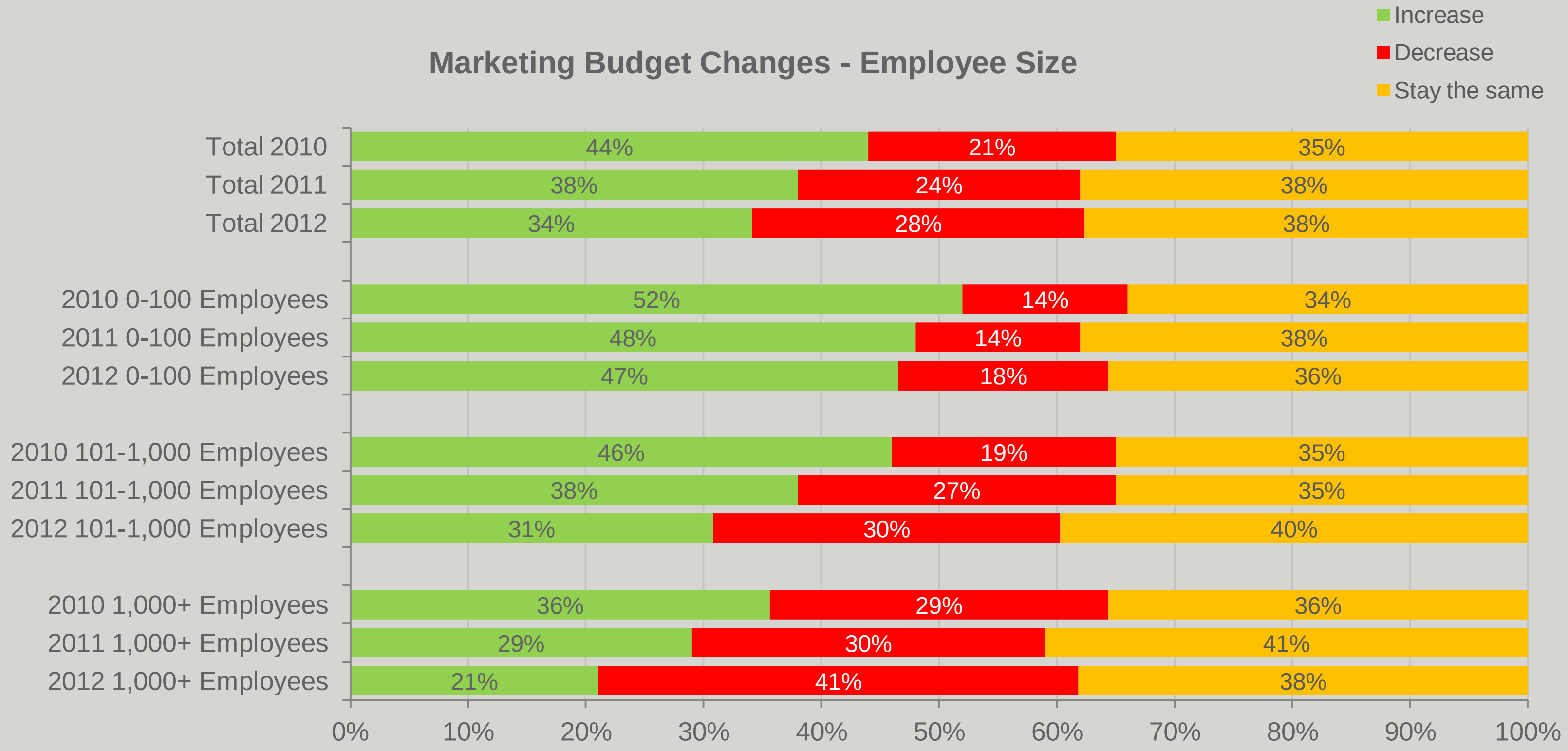
Marketing budgets will grow by only 1% in 2013, following growth in 2012 of 3.4%.

In 2013, 34% of marketers expect their marketing budget to increase, with these organisations anticipating an average increase of 16%. 28% expect a decrease in 2013, and for these they anticipate an average decrease of 16%.

2007 Budget	2008 Budget (indexed at 100)	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget
95	100	102	109	113	117	118

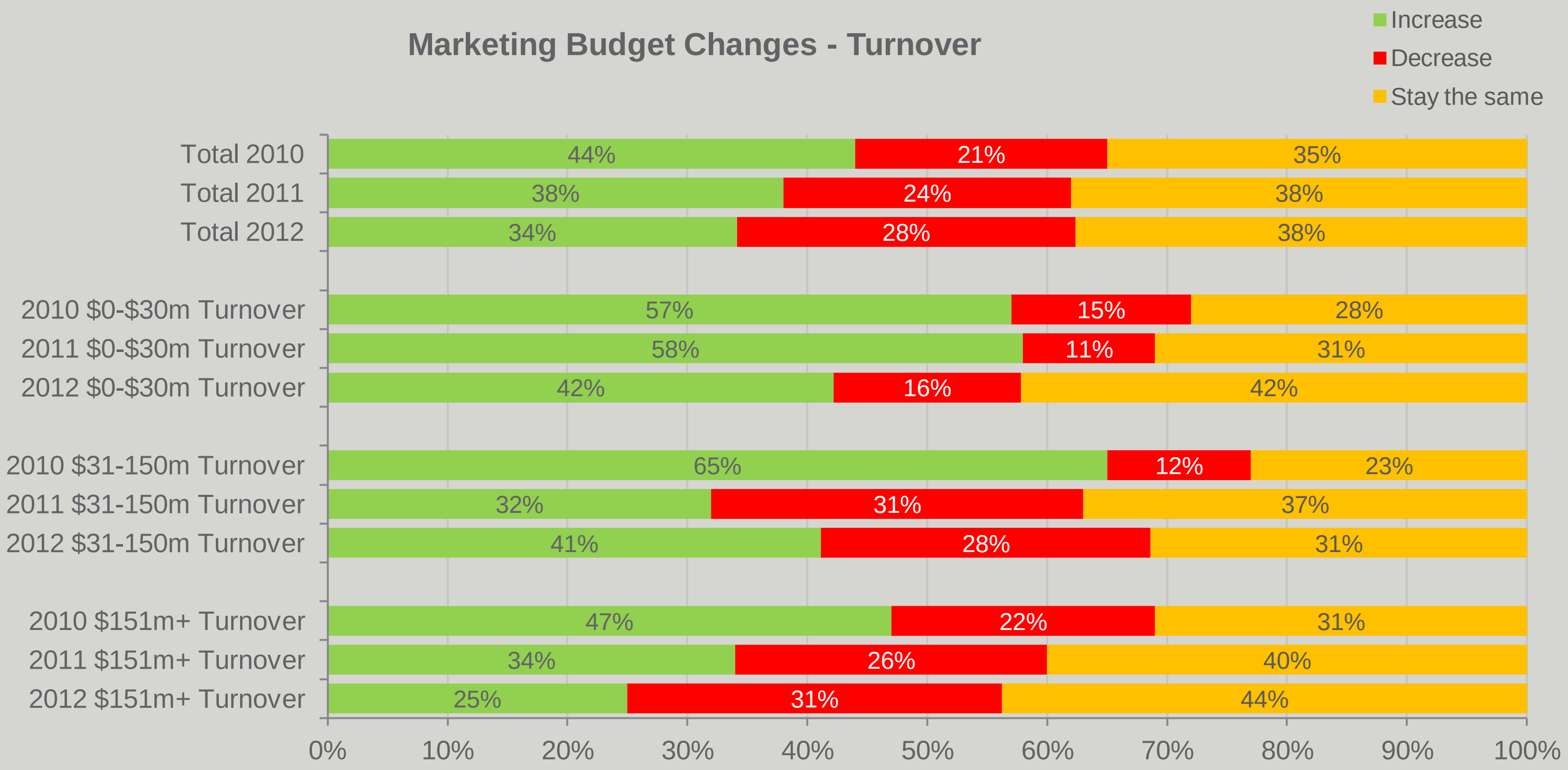
Q3A. In 2011, how do you expect your marketing budget to change from 2013? Do you expect it to?
Q3B. Can you specify the % that it is likely to increase?
Q3C. Can you specify the % that it is likely to decrease?

Nearly half of organisations with 0 – 100 employees again expect to increase marketing budgets in 2013. These smaller organisations are more positive than the mid sized and larger organisations.



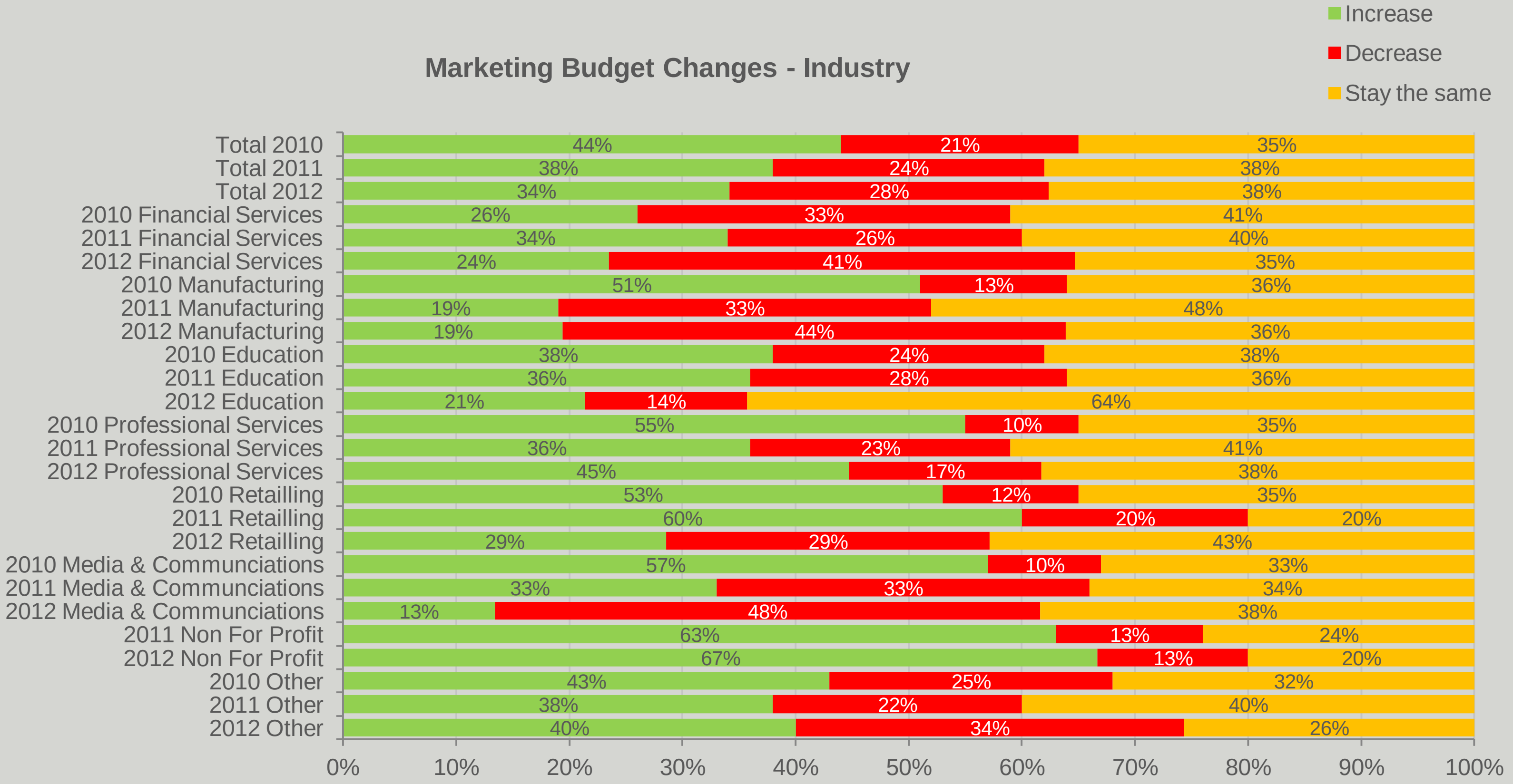
Q3A. In 2011, how do you expect your marketing budget to change from 2010? Do you expect it to?
Q3B. Can you specify the % that it is likely to increase?
Q3C. Can you specify the % that it is likely to decrease?

Far fewer larger organisations are planning to increase marketing budgets in 2013, compared to a year ago.



Q3A. In 2011, how do you expect your marketing budget to change from 2010? Do you expect it to?
Q3B. Can you specify the % that it is likely to increase?
Q3C. Can you specify the % that it is likely to decrease?

There is a great deal of variation at an industry level when it comes to outlook for marketing budgets. **Media & communications** (13%) and **Manufacturing** (19%) have the lowest proportion increasing budgets in 2013 and **Non for profit** (67%) and **professional services** the highest (45% increasing budgets).



Q3A. In 2011, how do you expect your marketing budget to change from 2010? Do you expect it to?
Q3B. Can you specify the % that it is likely to increase?
Q3C. Can you specify the % that it is likely to decrease?

Most organisation types and most industry sectors are reducing marketing budgets in 2013, with only smaller organisations, professional services and Not for Profit growing budgets.

		2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Change from 2012
Total		95	100	102	109	113	117	118	0.9%
Number of Employees	0 to 100	94	100	103	112	118	130	138	6.0%
	101 to 1,000	94	100	101	108	113	115	113	-1.7%
	1001 +	94	100	102	109	109	109	105	-3.6%
Annual Turnover (millions)	< $30	94	100	103	112	119	129	135	4.4%
	$ 31 -150	96	100	101	109	116	116	116	0.2%
	$ 151 +	94	100	102	108	110	112	111	-1.0%
Financial Services		98	100	99	104	102	102	100	-2.3%
Manufacturing		95	100	105	115	120	119	112	-6.0%
Education*		95	100	106	114	116	118	117	-0.9%
Professional Services		91	100	105	111	119	125	133	6.0%
Retailing		92	100	96	103	110	118	112	-4.7%
Media & Communications		107	100	91	95	101	103	100	-3.1
Not for Profit*						100	107	110	2.9%

*Base year is 2011

Marketing Priorities

Measures to increase sales and **maximise efficiency of marketing expenditure** continue to be the top marketing priorities.

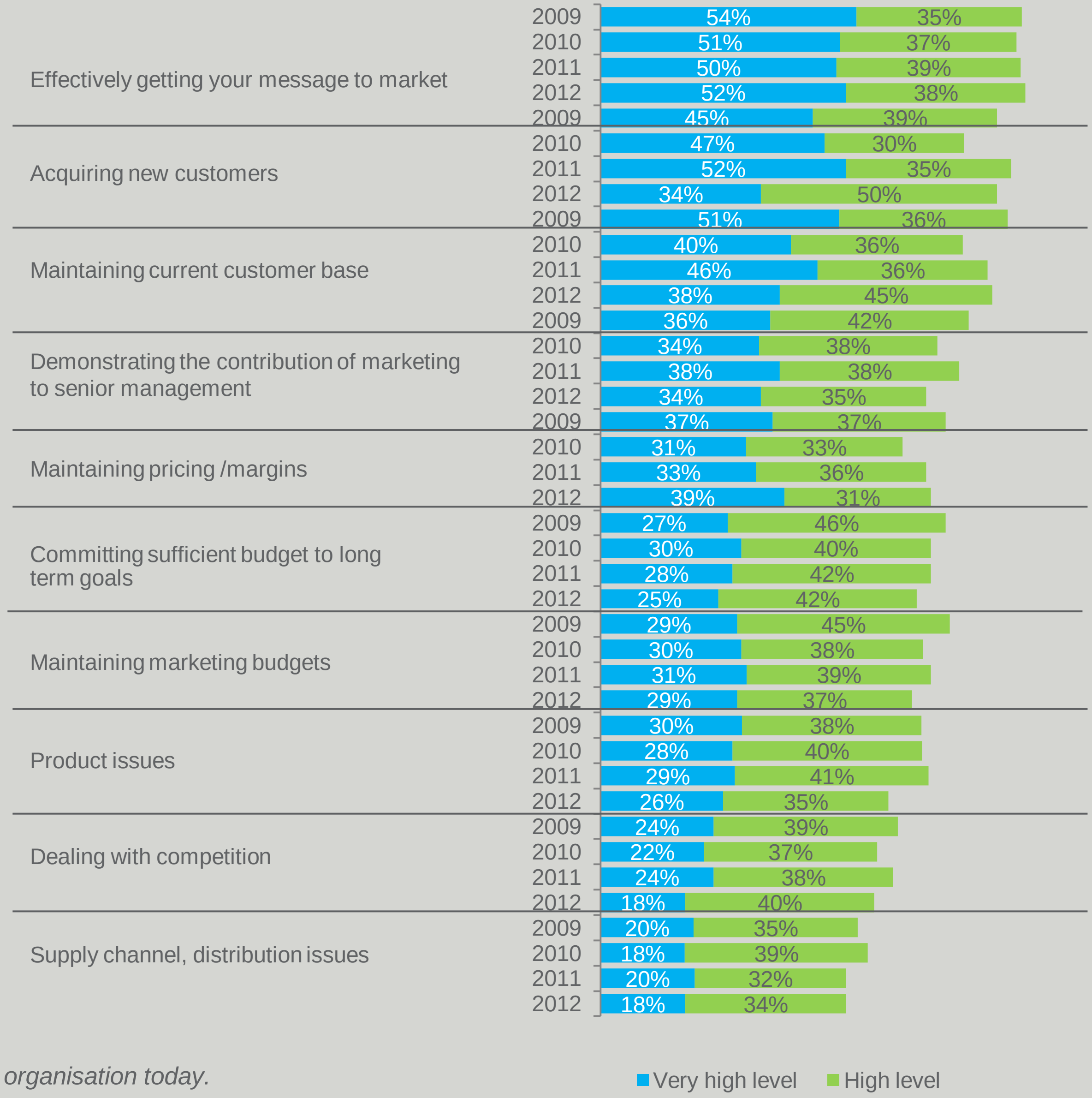
		More Focus	Less Focus
Measures to increase sales	2009	65%	2%
	2010	58%	2%
	2011	66%	2%
	2012	63%	2%
Maximising efficiency of marketing expenditure	2009	68%	2%
	2010	61%	2%
	2011	62%	4%
	2012	58%	3%
More profitable market segments	2009	52%	2%
	2010	50%	2%
	2011	52%	2%
	2012	51%	3%

Q4. Have your marketing priorities shifted in the past 12 months?

		More Focus	Less Focus
Customer acquisition	2009	56%	8%
	2010	46%	6%
	2011	63%	6%
	2012	49%	7%
Maintaining, building brand(s)	2009	50%	8%
	2010	52%	6%
	2011	53%	11%
	2012	47%	11%
Measures to increase current period profits	2009	47%	2%
	2010	37%	3%
	2011	49%	4%
	2012	47%	3%
Customer retention	2009	58%	2%
	2010	45%	4%
	2011	48%	4%
	2012	45%	4%
New product development	2009	43%	19%
	2010	46%	9%
	2011	41%	15%
	2012	42%	12%
Pricing issues	2009	47%	8%
	2010	35%	9%
	2011	36%	6%
	2012	36%	5%
Channels, channel partners	2009	39%	8%
	2010	45%	6%
	2011	38%	11%
	2012	34%	7%
Longer term return on marketing investment	2009	33%	18%
	2010	27%	14%
	2011	33%	16%
	2012	29%	17%
Internal marketing	2009	33%	16%
	2010	33%	19%
	2011	36%	20%
	2012	28%	20%
Your direct competitors	2009	23%	14%
	2010	18%	15%
	2011	21%	16%
	2012	16%	16%

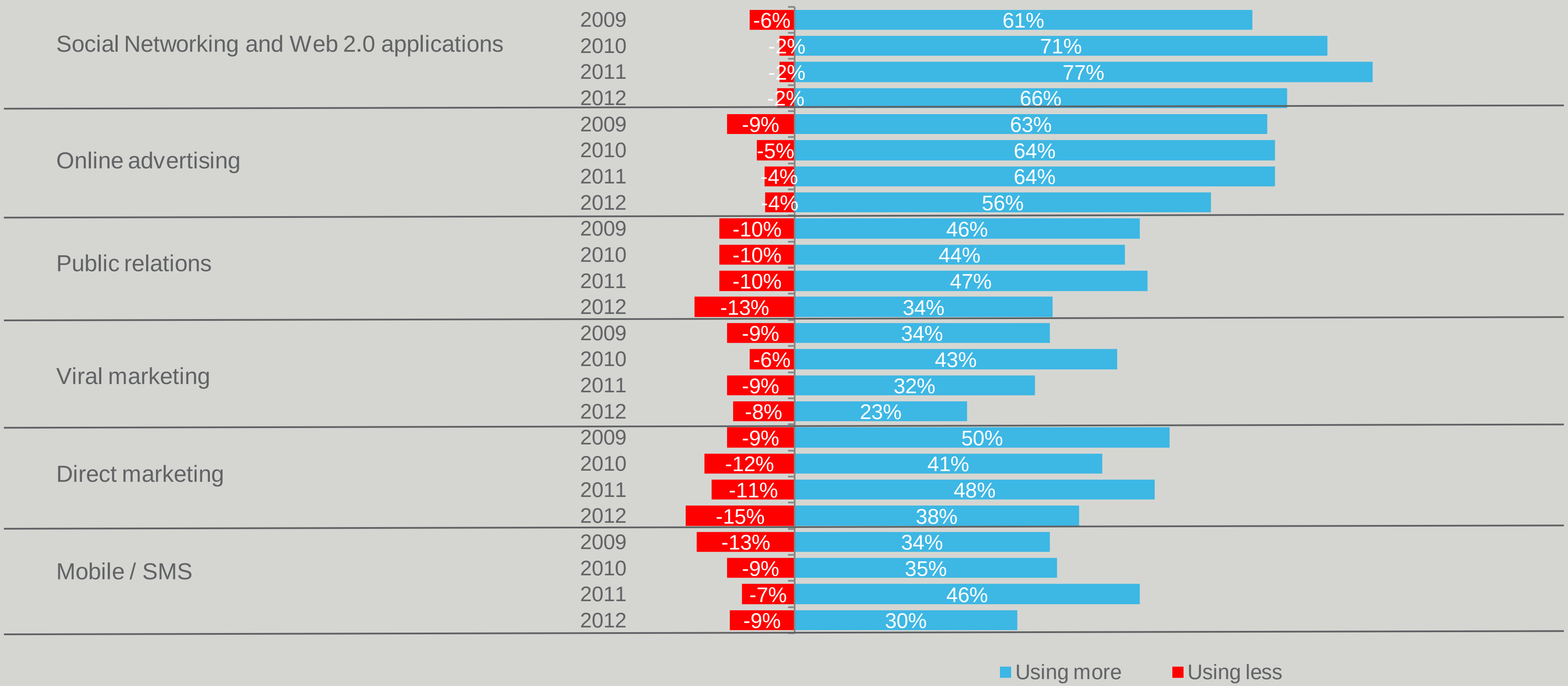
Major Marketing Challenges

Acquiring new customers, **maintaining current customers**, along with effectively **getting the message to market**, continue to be the major challenges for senior Australian marketers.



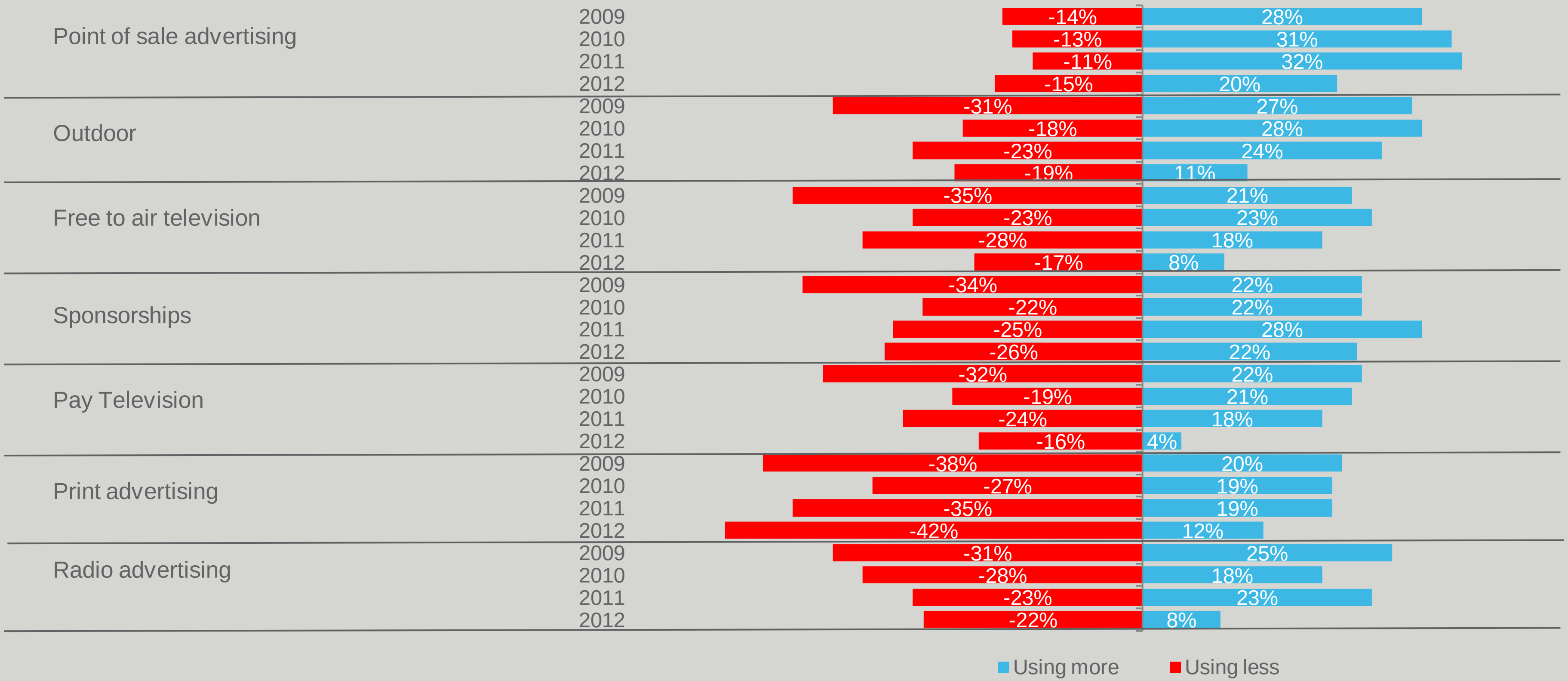
Q5. What are the major marketing challenges you are facing in your organisation today.

Use of **social networking and Web 2.0 is high but growth is less pronounced.** The popularity of Viral marketing has decreased.



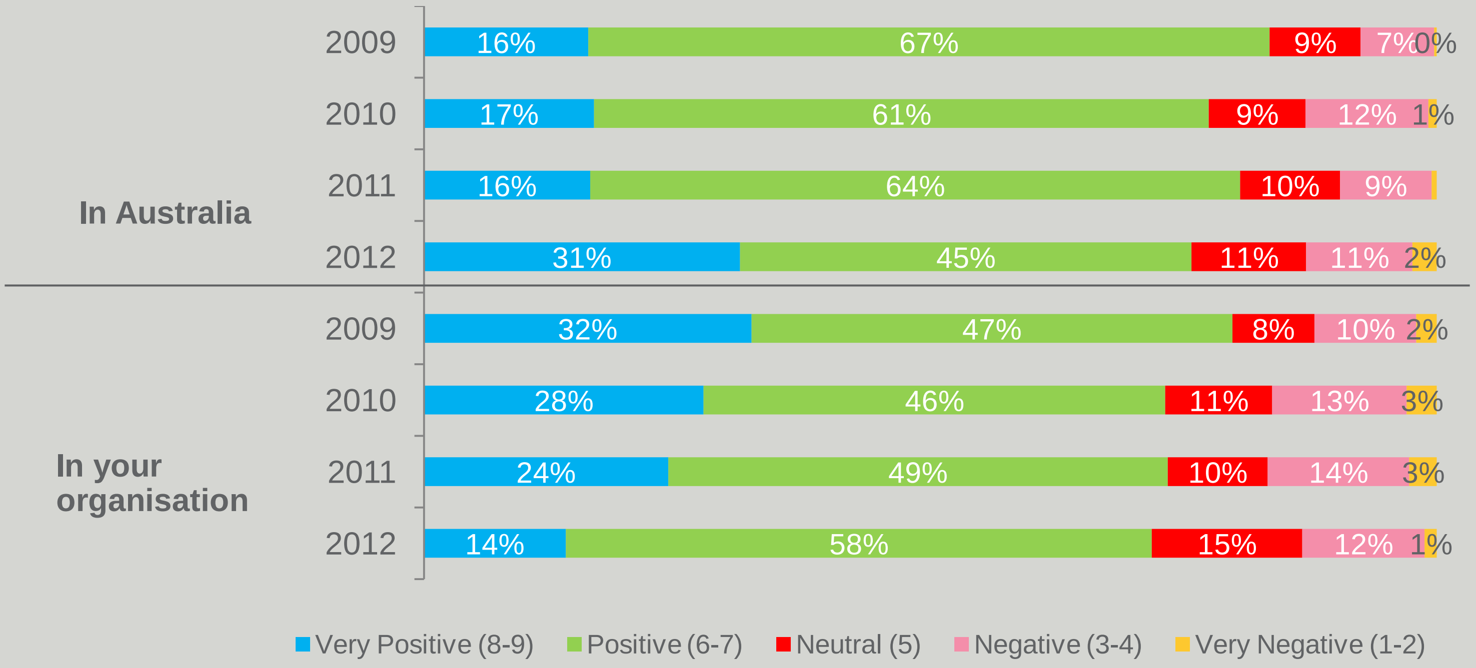
Q6. Has your use of different communications channels changed in the past 12 months?

Traditional media is being used more by a minority of marketers e.g. **Free to air TV** (4%), **print** (12%) and **radio** (8%).



Q6. Has your use of different communications channels changed in the past 12 months?

Similar to prior years, most senior marketers (76%) feel positive about the role and influence of marketing in Australia. Furthermore, 72% of marketers are highly positive about the role & influence of marketing within their own organisations.



Q1. How do you feel about the role and influence of marketing in Australia organisations today?
Q2. How do you feel about the role and influence of your marketing department/team in your organisation today?

Senior Marketers - Sample Characteristics

Industry

	2009		2010		2011		2012	
Category	N=	%	N=	%	N=	%	N=	%
Financial Services	57	17%	42	11%	50	14%	17	7%
Manufacturing	49	14%	47	13%	32	9%	36	14%
Education	32	9%	37	10%	36	10%	14	5%
Professional Services	32	9%	31	8%	44	12%	47	18%
Retailing	25	7%	17	5%	20	5%	16	6%
Media & Communications	23	7%	30	8%	25	7%	15	6%
Other	127	37%	165	45%	158	43%	111	43%
Total	345	100%	369	100%	365	100%	256	100%

Q8. In which sector does your organisation operate primarily?

Senior Marketers - Sample Characteristics

Number of Employees of Organisation								
	2009		2010		2011		2012	
Category	N=	%	N=	%	N=	%	N=	%
0 to 100	92	27%	104	28%	105	29%	101	40%
101 to 1,000	153	44%	136	37%	153	42%	78	31%
1001 +	100	28%	129	35%	107	29%	76	30%
Total	345	100%	369	100%	365	100%	255	100%

Annual Turnover (millions)								
	2009		2010		2011		2012	
Category	N=	%	N=	%	N=	%	N=	%
< $30	110	33%	61	30%	72	31%	64	36%
$ 31 -150	87	26%	43	21%	68	29%	51	29%
$ 151 +	138	41%	100	49%	96	41%	64	36%
Total	345	100%	204	100%	236	100%	179	100%

Q9. How many employees are there currently working for your organisation in Australia?
Q10. What is your organisations approximate annual turnover in Australia (in AU$ millions)?