

2020

GLOBAL MARKETING

STRATEGY REPORT



Kelton



THE YEAR OF THE CUSTOMER

At Kelton, insights are at the heart of what we do. We rely on them to drive marketing, brand, and communications strategies for our clients, and we seek them out to satisfy our own insatiable curiosity. In that spirit, we're thrilled to launch our first annual Global Marketing Strategy Report — a comprehensive look at how marketing leaders are planning for the year ahead.

Digging into our inaugural research surveying the nation's top marketers, a common theme quickly emerged: 2020 is the year of the customer. Businesses of all kinds (regardless of vertical, size, revenue, global footprint) are taking a customer-centric approach to 2020, versus one that delivers something new for the sake of new, or that focuses disproportionately on sales.

We also learned that bringing this customer-centric vision to life is not easy. **More than half of marketers aren't confident their strategy hits the mark.**

In the following pages, we'll dive into where marketing leaders plan to spend their time and money next year, the challenges they'll face, and — most importantly — the tactics they'll use to overcome those challenges. We believe these insights will help marketers stay competitive and drive growth in 2020 — and we couldn't be more excited to share.

BEHIND THE NUMBERS

To better understand the state of marketing in 2020, we surveyed 750 North American marketing leaders from major organizations across more than a dozen industries:

85%

were director-level or above



76%

worked for companies with
1,000 or more employees

50%

came from companies with total
annual revenues of **\$100M** or more



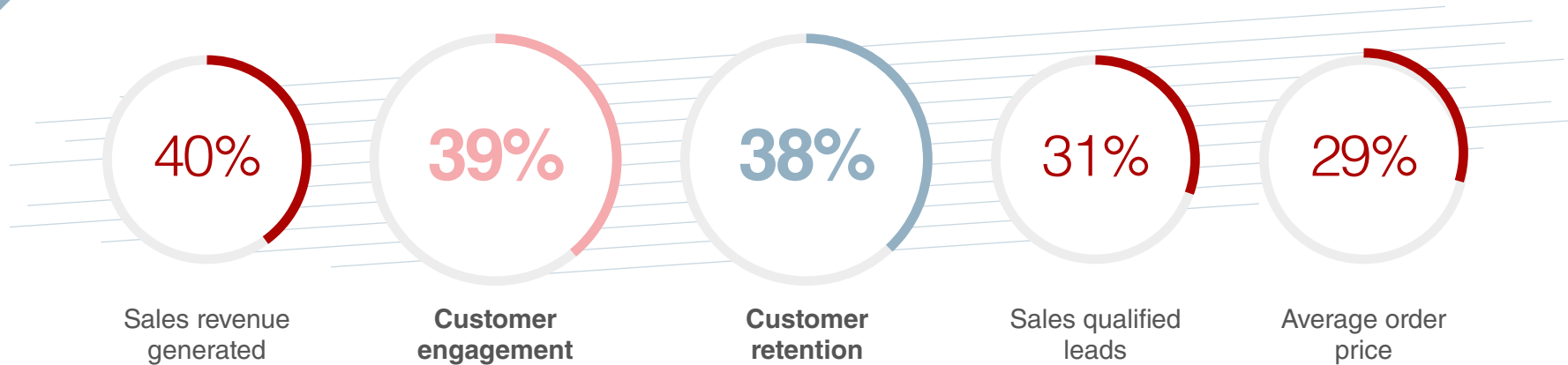
CHANGING PRIORITIES IN THE BOARDROOM

Tasked with driving growth, **1 in 2 marketers** believe improving customer experience has the greatest impact — and C-suites are now on board. According to the leaders we surveyed, CEOs no longer look at the state of their business primarily through a sales-revenue lens — they realize the value of brand experience and its ability to drive **customer engagement and retention** (see page 5 for top 5 stats).

These changing priorities have the chance to generate a cascade of enthusiasm for customer-centric strategies across entire organizations — exactly the kind of cross-functional buy-in marketers need to drive real results.



THE METRICS THAT MATTER TO CEOs:



2020 GOALS

PLAYING THE LONG GAME

Reflecting the boardroom's 2020 commitment to customer centricity, marketing leaders' top goals heading into next year place a strong focus on engaging with consumers. In fact, nearly the same number of marketing leaders list improving customer experience as a top goal as those focused on increasing sales. Many now prioritize customer engagement over the launching of new products, services, and initiatives.

It comes back to growth: We believe businesses are increasing their commitment to the customer because it's what's best for long-term organizational health. A new product can drive sales in the immediate term, but it won't guarantee an increase in customer lifetime value.

TOP 2020 MARKETING GOALS

41%

Increasing Sales

38%

Increasing brand awareness

37%

Improving customer experience

36%

Acquiring new customers

34%

Retaining existing customers

31%

Launching new products/services

29%

Launching new initiatives



INDUSTRY BREAKDOWN

WHERE THE CUSTOMER IS KING

While **37% of marketing execs** say improving the customer experience will be a goal in 2020, certain industries are rallying around it in greater numbers. Meanwhile, consumer goods comes in last at 33%.

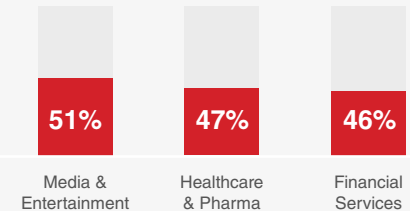
And when it comes to the success metrics that matter most to CEOs, once again key industries report engagement is critical. (Consumer goods is last again at 34%).

Finally, when it comes to integrating AI into 2020 marketing plans, **28% of all marketers surveyed** plan to do so to optimize the customer journey. This spikes specifically across healthcare and pharma (38%) and financial services (34%).

Top Industries Focused On Improving Customer Experience



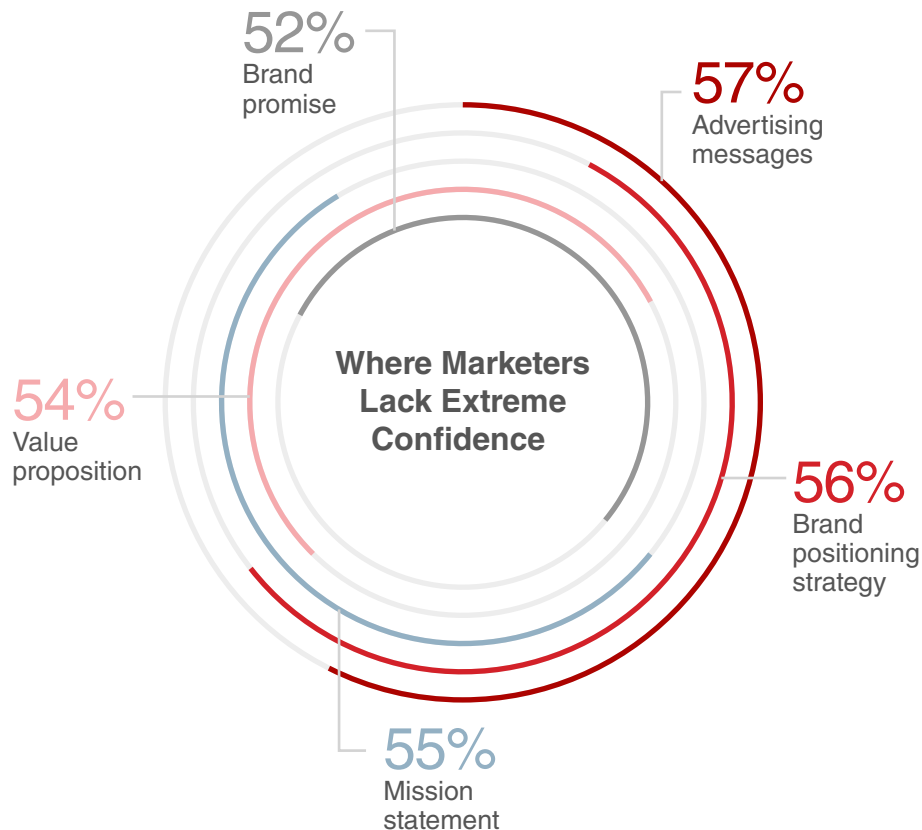
Top Industries Focused on Customer Engagement Metrics



THE PROBLEM

MARKETERS LACK TOTAL CONFIDENCE IN THEIR STRATEGIES

In order to achieve 2020 goals, marketers will need to rely on strategies that drive results. And that's the problem: As next year approaches, more than half of marketing leaders aren't extremely confident that their key messaging and core brand elements will successfully engage consumers.





THE DISCONNECT
**MARKETERS NEED
BETTER INSIGHTS
TO BE TRULY
CUSTOMER CENTRIC**

WHERE MARKETERS STRUGGLE

37%

Reaching new customers

34%

Identifying the best strategy to engage customers

33%

Understanding who their customers are

32%

Understanding the customer journey

Of course, it isn't a shock that more than half of marketers lack confidence in their key strategies — not when so many struggle to understand their customers. According to our survey, a significant number of marketing leaders find it challenging to really know their target audiences. They understand the power of putting the customer at the heart of their brands, but many don't know how to do it — and this presents a major disconnect.



2020 MARKETING TACTICS

**THE GOOD NEWS:
MARKETING LEADERS HAVE
CONCRETE PLANS THAT
WILL HELP THEM CLEAR
NEXT YEAR'S HURDLES.**

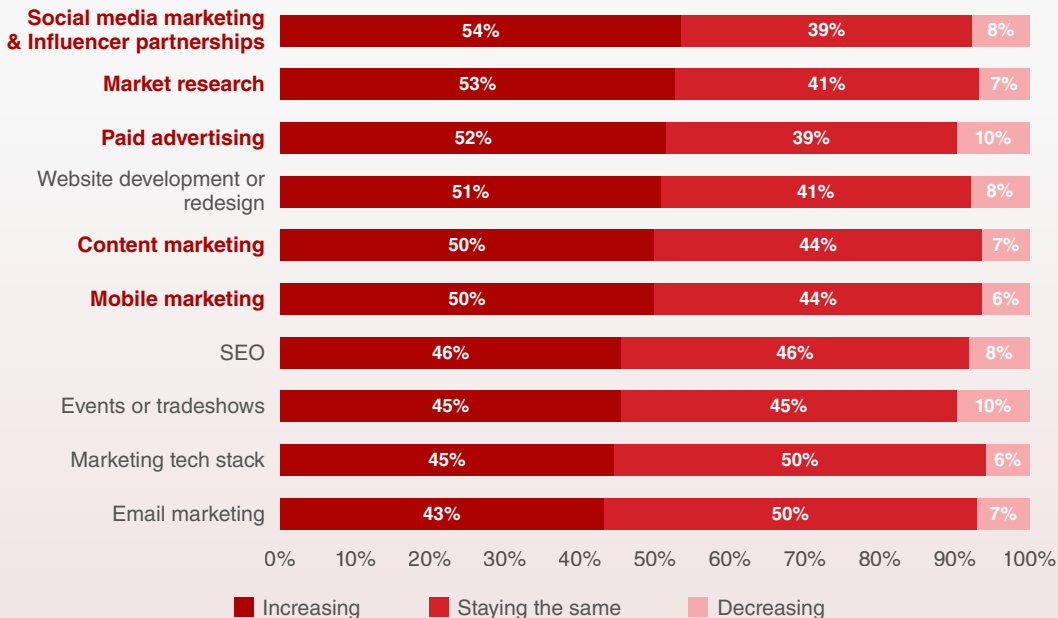
TACTIC #1

INCREASE THE BUDGET

Let's start with the obvious: Solving problems costs money. The good news? Heading into 2020, two-thirds of marketers say they have enough budget to achieve their goals — thanks to a 46% year-over-year increase.

More importantly, marketers are boosting budgets strategically, focusing on areas that will help them better understand and engage with their customers — including social media marketing, market research, paid advertising, content marketing and mobile marketing.

2020 MARKETING BUDGET PLANS



Some percentage totals don't equal 100% due to rounding.

BUDGET BREAKDOWN: INDUSTRY TRENDS

With 53% of all marketers increasing budgets for market research next year, we expect to see marketing leaders begin to dimensionalize CX, the customer journey, etc. Certain industries plan to increase market research budgets even more, including financial services, media and entertainment, and healthcare and pharma.

59%
Financial
Services

58%
Media and
Entertainment

58%
Healthcare
and Pharma

Customer/Market
segmentation research

34% (vs. 25%
businesses
overall)

Customer experience
research

30% (vs. 23%
businesses
overall)

And in looking closer at the **financial services** industry, marketing executives plan to put their money where their goals are, with 43% (vs. 36% overall) investing in market research to better understand existing customers. They're also significantly more likely to invest in other key research initiatives like customer/market segmentation research and customer experience research.

TACTIC #2

INVEST IN CUSTOMER- CENTRIC MARKETING

Smart marketers are also planning to invest in tactics designed to illuminate blind spots. Customer segmentation and customer experience research, for example, shed much needed insight on target customers, while brand health tracking is an essential way to measure how consumers view your brand over time. In many ways, knowledge is the key to confidence, and marketers plan to spend on the insights they need.

TOP 2020 MARKETING TACTICS:

- 25%** Customer/market segmentation
- 23%** Customer experience research
- 23%** Innovation research
- 22%** Brand strategy research
- 21%** Empowering customers as brand ambassadors
- 19%** Brand health tracking





TACTIC #3

EXPAND MARKETING'S PRESENCE

Increased budget can go a long way, but so can expanded influence within the organization. Many marketing leaders report that, in 2020, their department will play a larger role in broader business strategy, and will work more closely with key stakeholders across the organization. This is a necessary step for marketers to be able to lead successful customer experience initiatives. True transformation requires buy-in and participation from leaders across every department, and a marketing team more closely aligned with the C-suite is much more likely to earn that buy-in.

HOW MARKETING DEPARTMENTS WILL CHANGE IN 2020

- 44%** Marketing will play a larger role in informing business decisions
- 42%** Marketing initiatives will be more closely tied to business decisions
- 41%** Marketing teams will engage closely with the C-Suite



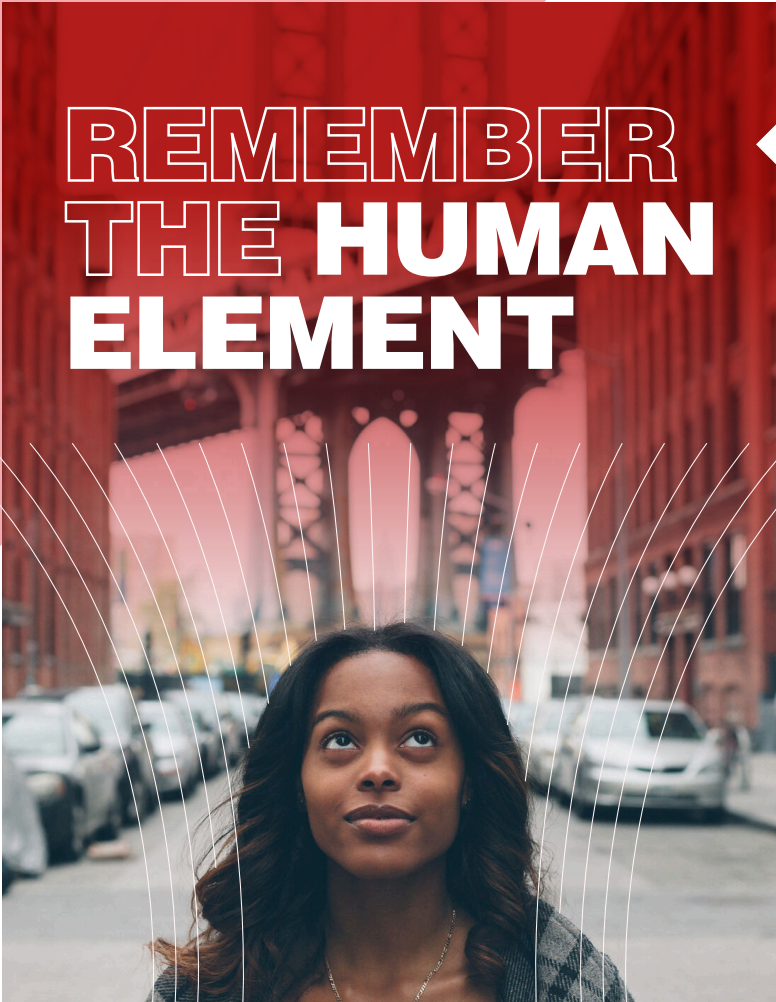
TACTIC #4

TAP INTO THE POWER OF MARKET RESEARCH

Of course, a larger marketing presence doesn't preclude the need for outside expertise. Next year, marketers will lean on partners to reach their goals and fuel growth.

Who will they turn to? **43% plan to partner with a market research firm and/or a brand strategy firm** — and their number one reason for doing so is to better understand their existing customers.

REMEMBER THE HUMAN ELEMENT

A woman with long dark hair is looking upwards with a thoughtful expression. She is standing on a city street with parked cars and buildings in the background. White curved lines radiate from her head, suggesting a focus on the human element.

While the Year of the Customer will certainly bring new challenges, it also provides a guiding star for marketers. When facing difficult choices surrounding your 2020 marketing strategy, remember the power of the human element. Look at the ways and world in which consumers engage with your brand, the relevant needs they have, and begin to identify opportunities to engage with them in more substantial ways. Prioritizing the people and audiences who are most important to your business is a surefire way to drive growth.

We know bringing your customer-centric vision to life isn't easy, but this report highlights the fact you're not alone — many marketers face this challenge! We hope the insights and marketing tactics we've shared are helpful in your 2020 planning. We're always here to help and answer any questions.

HUNGRY FOR MORE INSIGHTS?
WORKING ON YOUR 2020 MARKETING STRATEGY?

**WE LOVE TALKING ABOUT THIS STUFF.
GIVE US A CALL OR DROP US A NOTE.**

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Kelton

About Kelton Global:

Kelton Global, an LRW Group agency, is an award-winning consumer insights and strategy consultancy that helps marketers at the world's biggest and best-loved companies build their brands from the insight out.



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