

# THE STATE OF MARKETING 2014

Busting the Myths

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## The State of Marketing 2014 Busting the Myths

Vocus commissioned Virginia-based Market Connections, Inc., an independent research firm, to study how marketing professionals are grappling with digital media technologies. Our study showed a changing world for marketing professionals; it's a tale of haves and have-nots.

Marketing automation makes a difference for the haves. Those who have adopted marketing automation technologies engage in different tactics and experience an easier time with budgeting and allocating resources. Those who have not adopted marketing technologies struggle to get what they need and want from management, and focus less on lead generation and ROI.

The Market Connections research supports many current trends, but it also busts several myths that are generally accepted as truth on the social Internet. While many insist that the entire industry is engaging in converging marketing practices like content marketing, lead generation and SEO, surveyed professionals reveal a disparity between industry chatter and reality.

Our research not only uncovers the disparity and counters it with data, but it also explores other trends and specific ways that marketing automation is impacting industry pros.

Market Connections conducted an online national poll of 325 mid and senior-level marketing and PR professionals. The poll queried a cross-section of marketing and PR agencies, commercial companies and nonprofit organizations. The margin of error on the poll results is +/- 5 percent at a 95 percent confidence level.

### Busting Trendy Myths

Several myths are widely supported by bloggers in the marketing blogosphere, in large part because their experience tells them that the tactics work. To some extent,

though perhaps not intentionally, their claims are self-supporting; they often match the consulting services the bloggers offer.

While their chatter paints one picture of marketing, our research reveals that it may be more myth than reality.

### Myth 1: Virtually Everyone Has a Content Marketing Strategy

Content marketing is a common discussion on the social Web. Everyone assumes everyone else is deploying content marketing strategies.

Many marketers are tasked with creating all or some of their brands' "owned" content: market research, webinars, white papers, blogs, events, infographics and much more. Our study shows that while content marketing may be an omnipresent tactic, only 60 percent of respondents or their clients have an actual content marketing strategy. Only 19 percent are considering adding such a strategy.

A strong majority of marketers use content, but the myth that everyone is deploying it is just not true. In addition, our research shows that content marketers tend to be the same professionals who are using marketing automation systems, and tend not to be general PR practitioners.

### Myth 2: Marketing Automation Is Too Complex, Costly and Time-Consuming to Implement

When most professionals discuss reasons not to implement marketing automation, they cite cost (49 percent), lack of technical human resources (40 percent), and time to implement and use (34 percent).

However, if you look at the haves and have-nots, those using marketing automation technologies report significantly greater efficiency and ROI benefits, specifically:

- Improved sales conversion.** Almost two-thirds (62 percent) of those with marketing automation see improved sales conversion as a benefit, compared to only one-third of those without.



o **Enhanced targeting** is a perceived benefit for nearly 60 percent of those using automation (57 percent), and only 40 percent of those not using automation.

o **Lead generation.** 55 percent of those using automation see generating more leads as a benefit, compared with only 30 percent of those not using automation; 54 percent of those using automation see higher quality leads as a top benefit, while only 38 percent of those without automation see this benefit.

Marketing automation systems present a chicken and egg scenario for marketers. Only 37 percent of marketers with automation systems cite budgeting as a challenge versus 54 percent of marketers without automation, a 17 percent differential. Further, time is less of an issue for marketers with automation systems (43 percent) versus those without (56 percent). While companies who do not have automation systems may not have been able to afford them, it is clear they help generate revenue.

Marketing automation pays for itself by easing many of the issues that prevent marketers from buying the systems in the first place. Our research also shows additional benefits such as campaign management and increased ROI.

**Myth 3: The PR Sector Has Fully Adapted to New Digital Tactics**



While online public relations tactics often include social media, owned content and native advertising, PR practitioners are not using all of these tools. This may be because intra-department colleagues are responsible for SEO, content development, et cetera, but the common belief that SEO and content creation are the domains of PR is not true.

SEO is directly impacted by strong PR, and branded content or content marketing fuels social engagement, but a significant group of PR pros are not using either tool, relative to their marketing and social media counterparts:

o Only 53 percent of PR practitioners use content marketing, versus 61 percent of marketers and 66 percent of social media practitioners.

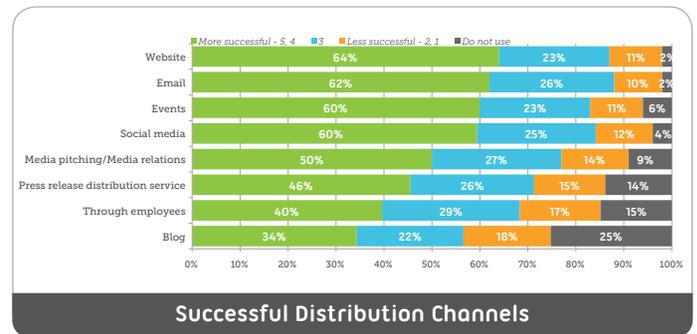
o Even fewer, 49 percent, use search engine marketing, compared to two-thirds of marketing and social media respondents (65 and 63 percent, respectively).

Even more surprising is that only 34 percent of PR pros have a mobile engagement strategy. Sixty-three percent of Americans use smartphones to engage with brands and media online (Pew), and 34 percent of Americans say their phones are their primary or sole access point to information on the Internet.

**Myth 4: Social Media Pros Don't Care About ROI**

It is believed that most social media experts measure weak statistics like engagement (likes and retweets) and reach, and don't care about ROI. The State of Marketing research reveals a different story. Thirty-two percent of self-described social media pros care about increased revenue per customer than do PR practitioners (21 percent) and traditional marketers (22 percent).

**Myth 5: Blogging Is Essential**



Despite common myths, blogging is not essential to marketing practitioners. Of all the distribution channels noted by marketing survey respondents, blogging is considered the least effective. Only 35 percent rated it as a 4 or 5 (highest). One-quarter of respondents don't even use a blog. Comparatively, the website, email, events, social media and media relations received higher scores. More than 50 percent of respondents view them as strong distribution channels.

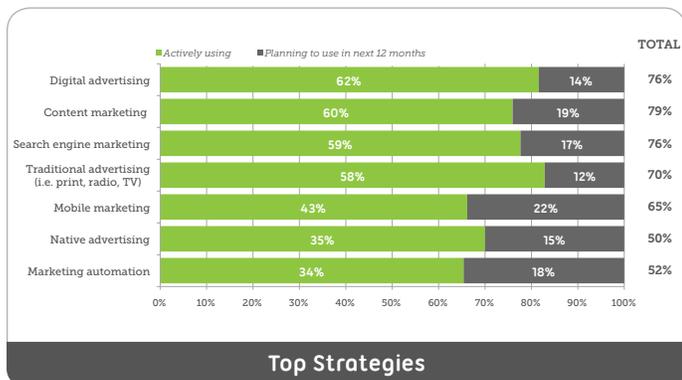
Blogging's lackluster results may have to do with the larger content marketing trend. While many consider blogging a primary tactic, blogging requires an almost unsustainable daily frequency and consistent quality to attract and keep attention. Both factors are problematic when competing with news publications and established blogs, not to mention trying to trigger regular inbound searches.

Unless the brand has a well-functioning blog and can own relevant keywords, its blog posts are less likely to generate significant inbound traffic, or create a big splash for news and information dissemination. As a result, most brands focus their efforts elsewhere.

## Remaining Report Findings

While the myths are interesting to review, our other findings are much more impactful to marketers. The remainder of our report discusses them.

## Preferred Strategies



Today's marketers use the full scope of digital media. Search engine marketing and optimization are the top and third best methods for reaching customers, respectively. Content is in second place. While not always digital, it is usually distributed online.

Respondents indicate that traditional media is not dead; the fourth most-used tactic is print, radio and broadcast advertising (58 percent). A recent survey of restaurant chain operators by GE Capital and Franchise Finance shows that while 56 percent of respondents consider online customer

ratings and comments as more important influencers of restaurant traffic, another 35 percent say traditional advertising is just as important.<sup>1</sup>

Mobile media is pervasive, but only 43 percent of marketers currently use the medium.

Native advertising via social media empowered properties is increasing. Thirty-five percent of respondents use the tactic today.

Marketing automation comes in last with only 34 percent of respondents indicating that they use some form of the technology. That said, our research shows adoption is increasing across the sector, which is in agreement with the general 10 percent plus adoption rate reported in 2012 and 2013 by several prominent analyst firms.

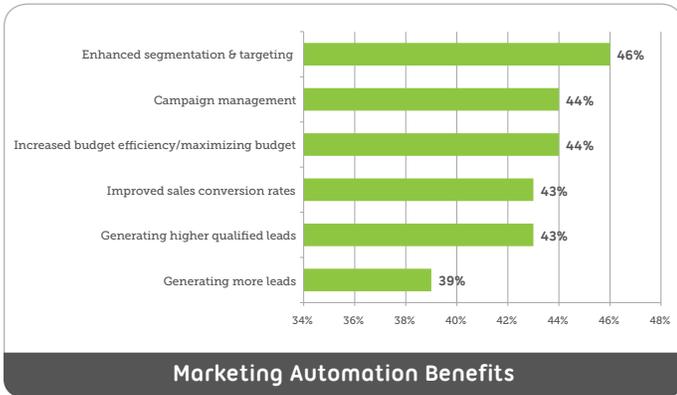


The respondents who use marketing automation are much more likely to use digital tools, including more advanced mobile and native advertising tactics. Consider the following:

- Digital advertising is more often deployed by those using marketing automation (74 percent vs. 55 percent).
- Content marketing is more often deployed by those using marketing automation (79 percent vs. 50 percent).
- Search engine marketing is more often deployed by those using marketing automation (79 percent vs. 49 percent).
- Mobile marketing is more often deployed by those using marketing automation (60 percent vs. 34 percent).
- Native advertising is more often deployed by those using marketing automation (63 percent vs. 21 percent).

1 <http://nm.com/social-media/survey-social-media-reviews-ratings-trump-traditional-advertising>

## The Benefits of Marketing Automation



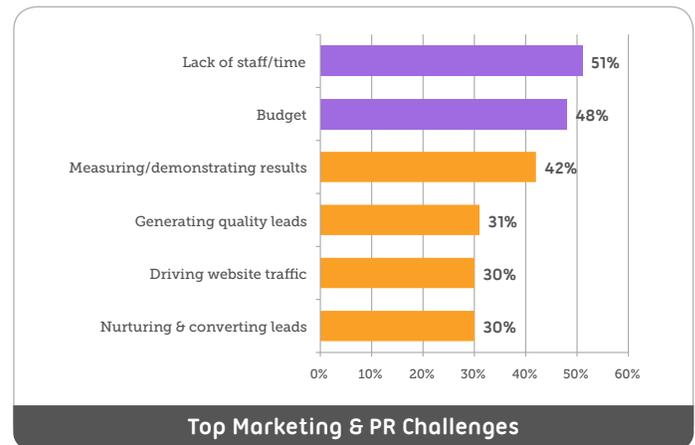
Marketing automation produces some strong benefits, as noted in the above chart. Those benefits range widely and include some unexpected ones. Specifically, marketing automation allows communicators to optimize campaign management and increase/maximize their budget efficiencies.

Other top benefits include greater ROI due to higher quality leads and sales conversions. Marketing automation also creates a separation of sorts; those that have the tools experience more success across several tactical execution areas:

- Enhanced targeting is a greater benefit to those using marketing automation (57 percent vs. 40 percent).
- Generating more leads is a greater benefit to those using marketing automation (55 percent vs. 30 percent).
- Generating higher quality leads is a greater benefit to those using marketing automation (54 percent vs. 38 percent).
- Improved sales conversion rates is a greater benefit to those using marketing automation (62 percent vs. 33 percent).
- Increased email response rate is a greater benefit to those using marketing automation (47 percent vs. 28 percent).

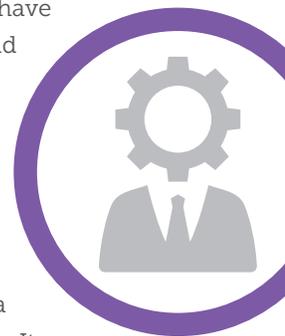
In his WIRED blog, software industry executive Peter Chase notes how automation fuels dramatic growth. “If you’re not with me on the marketing automation train yet, hop on [...],” Chase said. “It’s time to start using marketing automation to build reactive nurture campaigns, program unique messaging tracks, match content to a potential buyer’s lead stage and more.”<sup>2</sup>

## Resource Challenges



Marketers always face resource challenges, but the needs seem more pronounced in 2014. Survey respondents state a lack of staff and time (51 percent) and budget (48 percent) as their top concerns. Their third highest concern is measuring and demonstrating results (42 percent).

One-third of respondents who work at companies with marketing automation solutions have fewer challenges in justifying budget and staffing expenses than their counterparts. Only 37 percent of respondents with marketing automation solutions feel budget is a concern, and 43 percent think lack of staff and time is an issue.



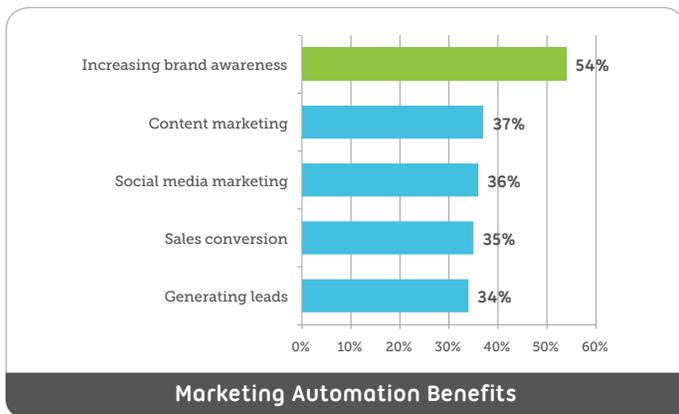
As mentioned in the myths section, a chicken and egg scenario has emerged. It is possible those with marketing automation systems have made the investment because they have sufficient budget and staff, and it is likely these systems are also delivering increased efficiency through campaign management, better response in the form of more and higher quality leads, and ROI through sales conversion.

<sup>2</sup> <http://insights.wired.com/profile/PeterChase#axzz32vMF0puR>

Marketing automation often is not implemented for fear of cost, but the system allows marketing departments to see what works, optimize campaigns and justify the expense for automation and marketing experiments. By implementing marketing automation, companies can avoid the old John Wanamaker statement: "Half the money I spend on advertising is wasted; the trouble is, I don't know which half." They know, and can justify, investments of time, staff and money.

The other three concerns fall into traditional marketing categories: generating quality leads (31 percent), driving traffic to the website (30 percent), and nurturing and converting leads (30 percent). Agencies also view keeping up with new technologies (45 percent) and receiving earned media (39 percent) as primary challenges.

## Strategic Aspirations, Tactical Concerns



Brand awareness is a top priority for marketers and PR pros alike. More than 54 percent of survey respondents say it is their number one concern. Seventy-two percent of nonprofit marketers cite brand awareness as a top concern.

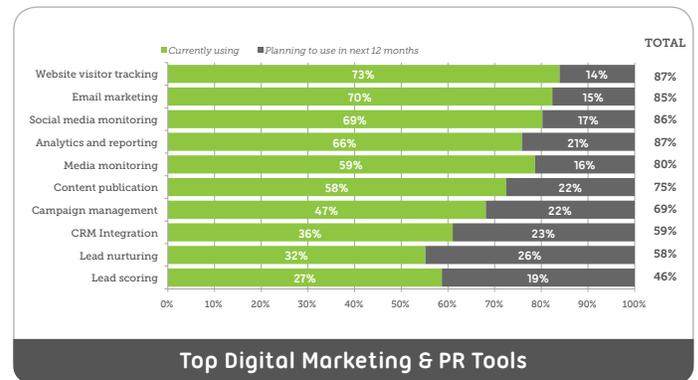
The brand awareness focus explains a refocus on PR by many companies. In a VentureBeat article, venture capitalist Brian Stolle writes, "PR, often thought of as a 'red-headed stepchild' in terms of marketing planning and budgeting, is rapidly regaining favor as digital and social media become central to customer engagement and acquisition."<sup>3</sup>

The next highest concern is content marketing at 37 percent, followed by social media, sales conversion and lead generation. All four are tactical concerns, showing a disparity between building brand and day-to-day communications functions. Marketers begin with the best of intentions for their efforts, but the need to generate and convert leads day in and day out often takes precedence.



As a survey subset, PR practitioners have their own unique concerns. Thirty-nine percent of PR pros see thought leadership as a critical need. Earned media coverage is also a great concern; 32 percent view it as a priority. Further, 41 percent of PR and marketing agencies listed thought leadership as a critical concern.

## Which Tools Do Marketers Prefer?



When marketers work on building brand and generating leads, they rely on specific tools. Website visitor tracking, email marketing, social media monitoring and analytics are top tools used or being implemented in the next 12 months.

The heavy focus on monitoring and analytics may be somewhat surprising, but it shows that marketers understand the need to watch and assess which tactics work for their brands, and how they impact potential and existing customers. "Data is like air for marketers," says Direct Marketing Association Chief Listening Officer Stephanie Miller when discussing the trend.<sup>4</sup>

<sup>3</sup> <http://venturebeat.com/2014/05/26/pr-tech-the-next-automated-marketing-frontier/>

<sup>4</sup> <http://www.dmnews.com/data-driven-marketing-is-more-important-than-ever/article/286061/>

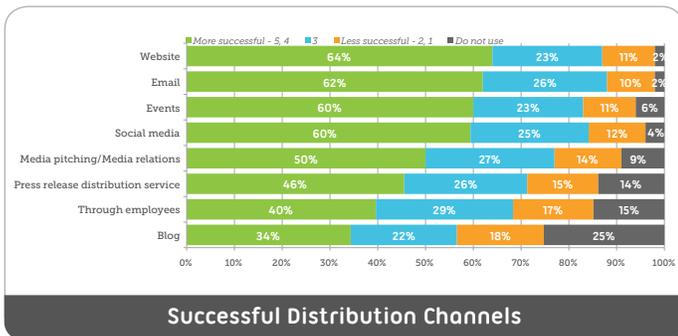


Email marketing (70 percent) and content publication (58 percent) are two of the top six tactical tools. The content publication statistic reinforces the fact that while content marketing is used by a majority of communicators, it is not the dominant tactic depicted by online marketing pundits.

As in other instances, differences arise when comparing those with marketing automation solutions and those without:

- Lead nurturing is more often used by those with marketing automation (53 percent vs. 21 percent).
- Lead scoring is more often used by those with marketing automation (52 percent vs. 14 percent).
- Campaign management is more often used by those with marketing automation (69 percent vs. 36 percent).
- Content publication is more often used by those with marketing automation (66 percent vs. 53 percent).
- CRM integration is more often used by those with marketing automation (61 per-cent vs. 23 percent).

## Changing Distribution



The media still ranks as a successful distribution channel. Fifty-one percent of all respondents cite it as a strong method for interacting with customers. However, it ranks fifth behind websites (64 percent), email (62 percent), social media (60 percent) and events (60 percent).

Events provide an interesting scenario. While events are a traditional tactic, they continue to be extremely worthwhile marketing endeavors. Seventy-nine percent of agencies and 58 percent of nonprofit respondents surveyed cite events as successful distribution channels.

People can rally around live events. Photos, discussions and speeches provide fodder for online communication, and hashtags have become central to measuring impressions, engagement and reach. Follow-up emails turn attendees and stakeholders into potential customers whose relationships can be nurtured through digital and traditional marketing.

Michael Brenner, vice president of global marketing for SAP, says, "...the event team thinks multi-format, multi-channel and a steady and continuous promotion of great content. The event is seen more like a conversation that continues well before and long after the physical part."<sup>5</sup>



Professionals who identify themselves as social media specialists have more success with digital media. Specifically, they indicate that the website (41 percent), social media (39 percent), media pitching (32 percent) and blogging (24 percent) are highly successful tactics for them. This makes sense as they are more engaged in the media evolution than their peers.

## Conclusion

The marketing world is in flux. It's a world in which digital has become the top form of outreach, and data and analytics drive marketing actions. In the middle of the digital evolution is marketing automation, a relatively new technology that leverages data to optimize and customize communications.

Only one-third of respondents have marketing automation systems, but those using automation are reaping the benefits. The most surprising fact may be that they have an

easier time with budgeting and justifying expenses. More importantly, they are improving sales conversion rates, and generating more and higher quality leads.

Content marketing continues to impact marketers, but perhaps at a less dramatic rate than purported by social media conversations. Blogging is generally considered a less impactful form of content marketing compared to email or events, revealing a final difference between online chatter and reality.

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## About Vocus

Vocus provides leading cloud-based public relations and marketing software that enables companies to acquire and retain customers. The company offers products and services to help clients attract and engage prospects, nurture and convert customers, and measure and improve marketing effectiveness. More than 16,000 annual subscription customers across a wide variety of industries use Vocus software. The company is headquartered in Beltsville, MD with offices in North America, Europe and Asia. For more information, visit [www.vocus.com](http://www.vocus.com) or call (800) 345-5572.

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