

Marketingheads CEO Future Trends Survey



Excellence in Business Ethics 2012, 2013, 2014

Marketingheads CEO Future Trends Survey 2015

Executive Summary:

73% of CEO's believe they will grow their business in 2015.

Success factors CEO's believe they can influence include:

- Marketing and communications
- Employee attitude and motivation, and
- Engagement with customers.

These factors have reversed in importance from previous years as CEOs are identifying marketing and communication as a more important success factor.

Of importance also were perceived brand values. Market confidence was identified as a key economic success factor.

Whilst funding limits the effectiveness of overall marketing they understand the importance of this function in being able to drive their business and more are willing to explore different strategies that can effectively resonate with their customer base. Some defining constraints appearing in this year's survey are lack of qualified, skilled and competent people in the marketing function, attitude of internal people, company culture and a willingness to change.

More CEOs appear willing to look at social media in 2015. A concern is that this needs to have a marketing plan, clear communication strategies, results and return on investment objectives and it must be well resourced in the same way any other marketing and communication strategy is. This is not a quick fix.

From a qualitative perspective CEOs we meet are looking for game changing strategies and exceptional results and are interested in investing in building the market analytical knowledge and developing relevant strategy to better resonate with customers to drive relevant customer centric communication.

This is further supported by 88% of CEOs saying they are very interested in knowing what their customers are saying about their business. When they have this knowledge their marketing and communication will be more effective.

In previous year's surveys more than half of the CEOs surveyed said they were unhappy with their current marketing.

We wish you a prosperous 2015.

If you have any questions regarding this report please don't hesitate to call us.

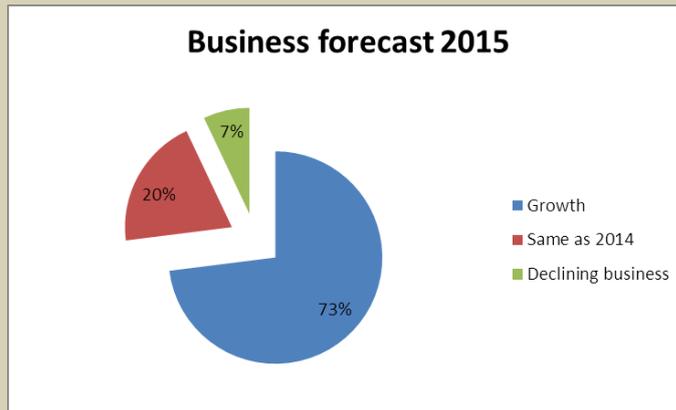
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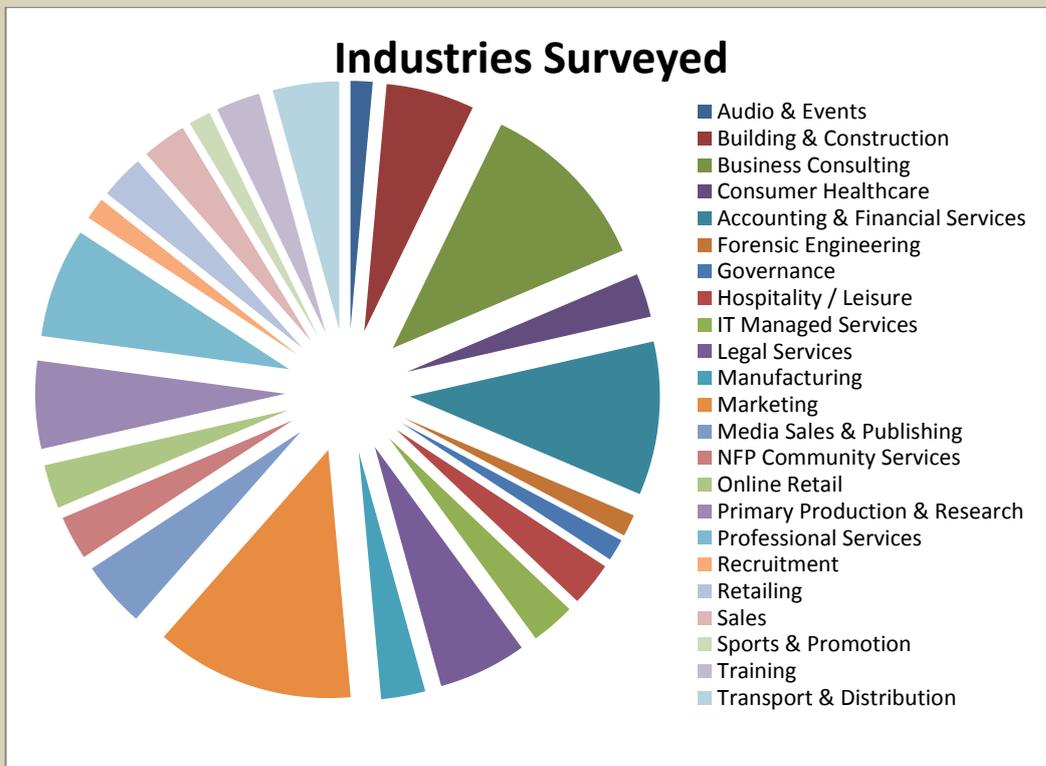
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Summary

This survey represents a wide group of industries. The number of CEOs and business owners completing the survey again grew significantly over previous year. The survey was conducted online with CEOs, business owners and senior business leaders in December 2014 to gauge perceptions and expectations for calendar year 2015 and was limited to 10 questions. Comparison data over several years is also included.



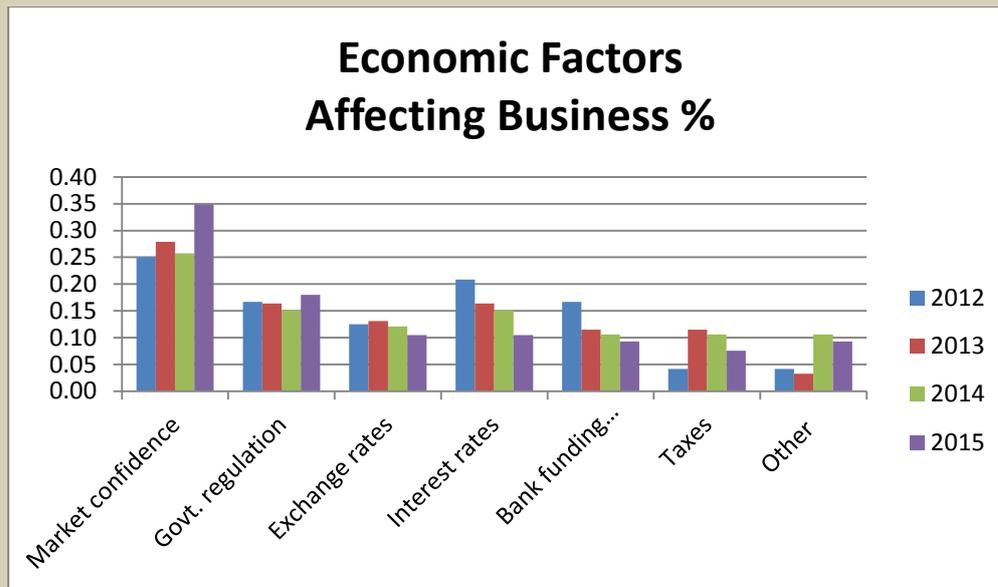
More than 90% of respondents are forecasting growth or expect to achieve the same results as last year. In 2014, no one expected their business to decline, this year 7% considered that their business will decline in 2015.



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CEOs continue to believe that the major economic influencers on their business success are:

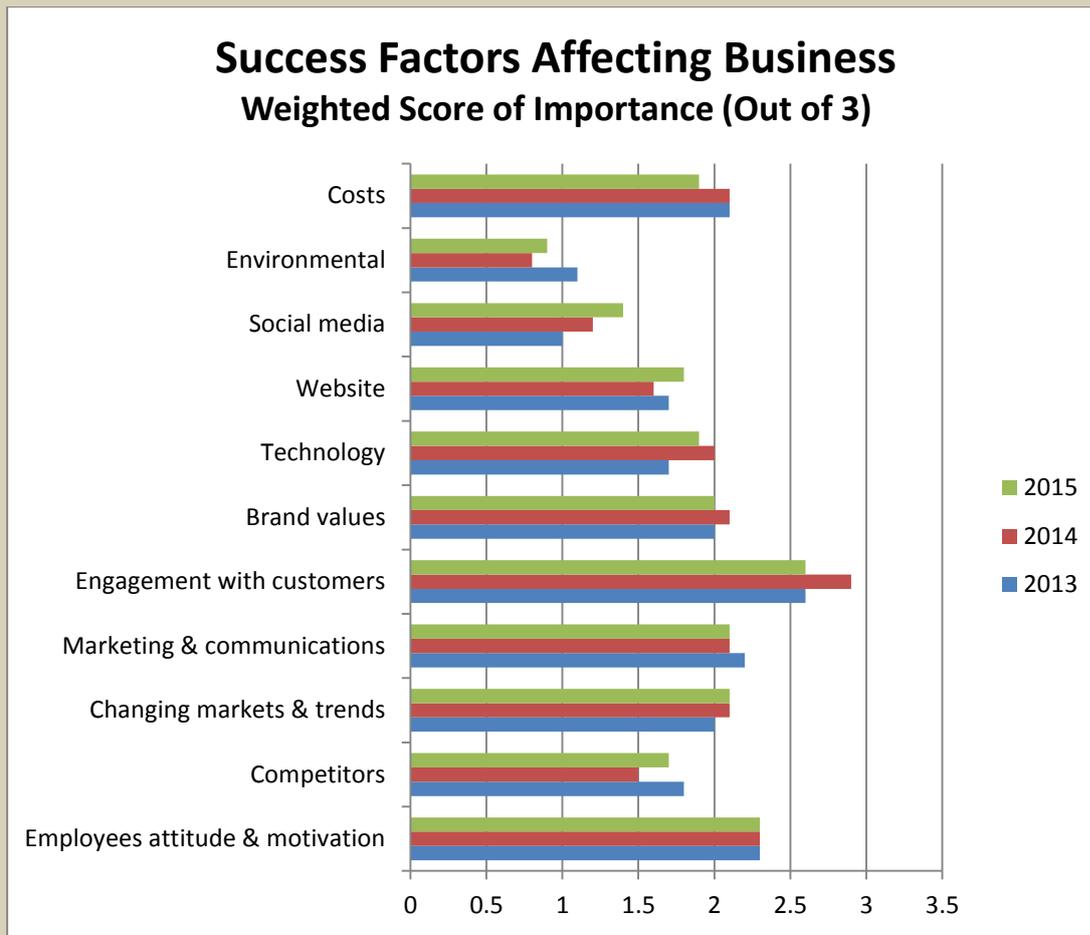
- *Market confidence*
- *Government regulation*
- *Other metrics, whilst important, have declined over previous years.*

Unprompted factors mentioned as influencers are:

- *Wages*
- *Overseas trade agreements*
- *Retail sentiment*
- *Climate*
- *Competition, changing markets*
- *No growth in SME market*
- *Less expensive manufacturing locations & proximity to markets*
- *Lower cost imports*
- *Digital disruption:*
 - *Technology & outsourcing*
 - *Shift to digital documents & internet business*
 - *offshoring professional services*
- *Government spending infrastructure projects*
- *Reduced Govt. expenditure/Budget constraints.*

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The highest rated key success factors that respondents indicated affect their business success:

- *Engagement with customers*
- *Employee attitude and motivation*
- *Marketing & communications and costs*
- *Changing markets & trends.*

Engagement with customers and employee attitude & motivation are believed to be the most important success factors. This makes it absolutely important to have a handle on what's changing in markets and what customer's value above price and expected service standards. Having well trained and committed staff able to explain your products and services and to build personal relationships are fundamental success factors.

Marketing & communications are important success factors as are perceived brand values and knowing what markets and competitors are doing.

Competitor factors increased in importance. Changing markets and trends stayed at the same level of importance factor. This indicates that competitor activity/price and market changes are factors affecting business and should be explored to understand what gaps and opportunities exist as markets change. It also places a greater emphasis on the need for brand values communicated to be relevant. Do they make sense any longer?

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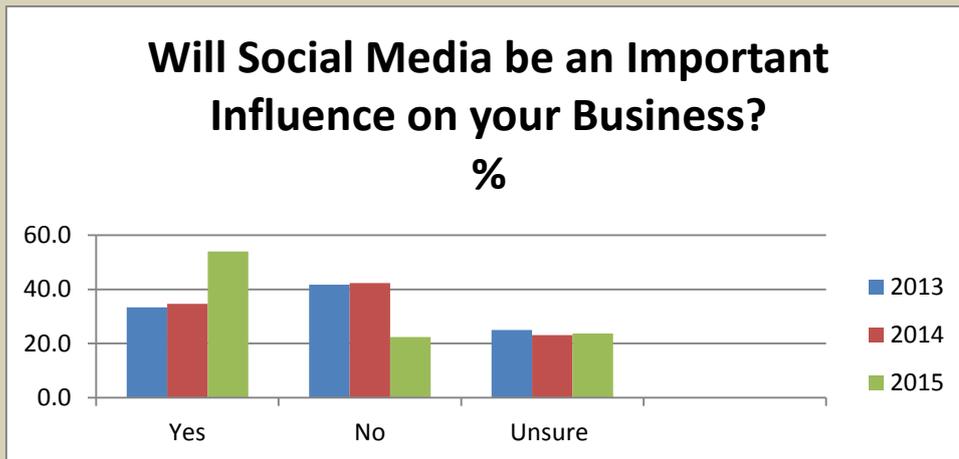
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What are customer's perceptions of your business and what do they value?

Unprompted responses also suggested that a lack of availability of skilled people, particularly in the trades' area, affected the success of their business.

Social media and websites are believed to play a role as success factors and both increased in importance year on year. Of interest was the unprompted mention of LinkedIn as a means to build personal brand and make contacts.

Again no one mentioned CRM programs, Google's SEO, PPC (pay per click advertising).



Social media increased significantly as an influencer for business in 2015.

The fundamentals of a marketing strategy (plan) and suitable budget for this communication platform will determine its success. Like all other mediums you need to ensure this is the best way to target communication to your audience.

The big question is what will you need to communicate that will achieve better results.

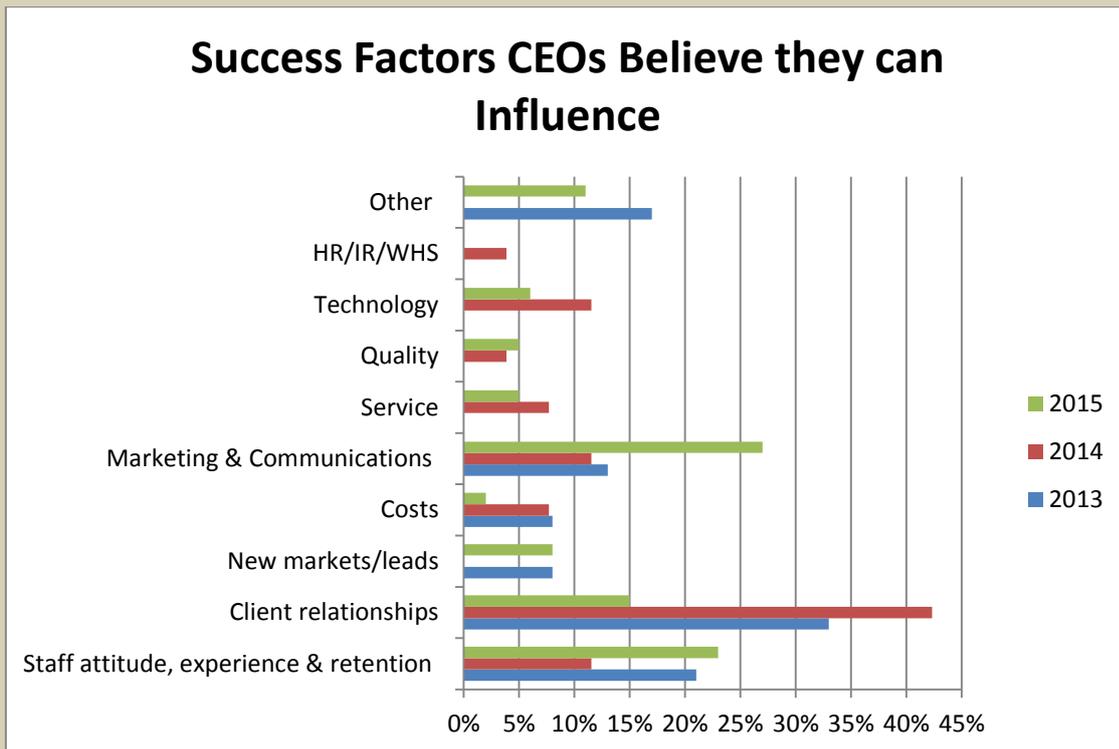
Social media is not a quick fix for other fundamental success factor failures. You must ensure your businesses communication to your customers is on target in the first place and that what is communicated is relevant and valued.

Only engage social media firms and employees that track results or return on investment.

Social media still needs to be put into the context of what the top three success factors are that CEOs mentioned as most important.

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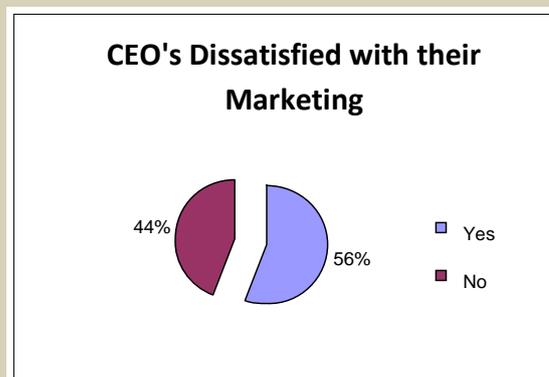


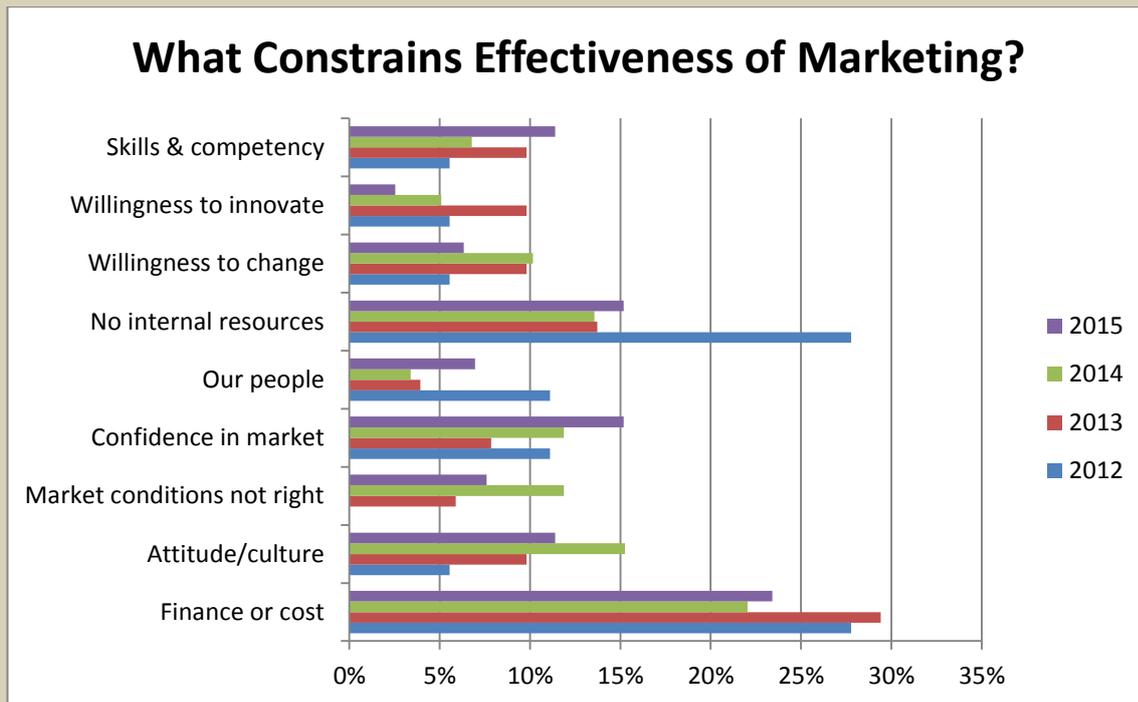
Clearly the most important success factors CEOs say they can influence are:

- Marketing & Communications
- Staff attitude, experience & retention
- Client relationships and engagement with customers
- New market leads.

The importance of marketing and communication as an area CEOs believe they can influence increased dramatically and corresponds with the decline in client relationships. Perhaps this is more about a change in emphasis as client relationships remain an important success factor.

Previous research reported CEO's dissatisfaction with their marketing. Could it be that CEOs wish to improve this area in 2015 and have implemented strategies to change this? If this was a qualitative research project where we interview respondents face to face we would have explored what specific strategies CEOs intend to utilise across the most important factors.





In this question we compare respondent's responses and find that finance and cost continue to limit a company's ability to maximise the marketing function effectiveness and a lack of qualified/ skilled/ knowledgeable and professional internal resources contribute to this.

The challenge is perhaps to focus properly on the marketing and communication areas to enable staff to maximise the effectiveness of their roles by engaging with trusted providers to provide insights/research/strategy input to ensure return on investment.

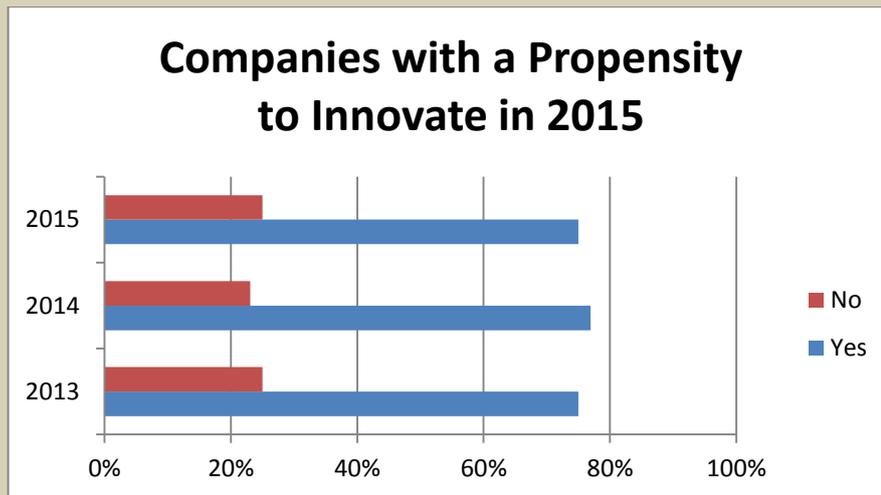
Emotions/attitude/culture and people are also identified as constraints to marketing effectiveness.

Internal skills and competency are also restraining elements that were identified. Confidence in the market also limits or constrains the company's marketing function as do willingness to change and innovate.

CEOs, Business owners and Managers need to consider how they can effectively maximise their marketing function. One takeout could be that they don't believe they achieve value for money spent and hence there is a lack of confidence in marketing and communication they have executed. This supports those who were dissatisfied with their marketing in past surveys.

This appears to be a weakness for many business respondents. Some of the above areas could be starting points for strategies to address this, however, without properly resourcing and budgeting for the marketing function whether it's internal or outsourced, marketing success will remain constrained.

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75% say they have a propensity to innovate. We wonder in reality if companies are truly being innovative or just simply introducing something new to their business that already exists. For those interested in innovation and what is believed to constitute true innovation google “The non-government report to the Prime Minister manufacturing taskforce, August 2012”.

Many of the unprompted responses below are things that innovation expert Professor Göran Roos, an innovation, R&D and technology leader discusses as innovation solutions for Australian business. If you want to learn more read [“Global Perspectives on Achieving Success in High and Low Cost Operating Environments”](#). Here Professor Roos features a collection of research and case studies addressing contemporary issues surrounding operational success in various regions.

Unprompted respondent comments include:

- *New markets & new distribution channels*
- *New customer orientated programs*
- *Product & service offer beyond traditional scope*
- *Interaction via social media*
- *New methods to solve old problems*
- *New systems & processes - Web based planners*
- *Media campaign influencing change at a political/ government level*
- *Less dependence upon location - cloud systems*
- *New mobile communications*
- *Using new technology*
- *New products, customer training programs*
- *Executive competency assessment*
- *Developing new software & partnerships*
- *Stepping outside of the box on solutions for old engineering problems*
- *Innovative marketing channels.*

For respondents who said “no, their business does not have a propensity to innovate” they thought they needed:

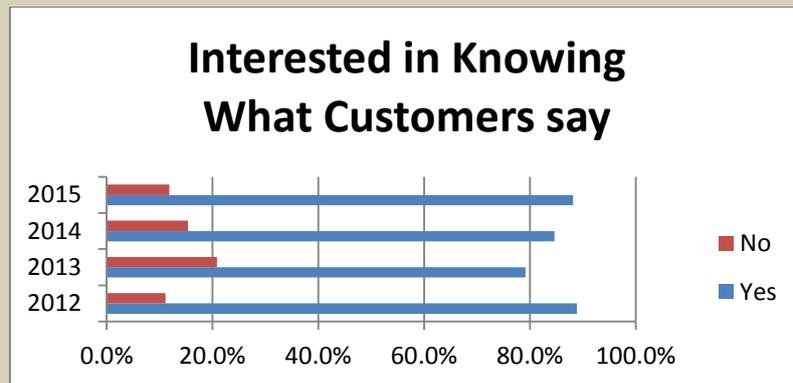
- *to understand and respond to changes in market better*

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- *to allocate more time to develop relevant systems and processes*
- *to engage and use technology more*
- *to globalize their knowledge and skill base, to leverage strengths from within the business to develop customer centric innovative solutions to problems and to think outside of the box*
- *to be more proactive and less reactive*
- *to see what innovative services are needed following new product launch.*



88% of CEOs are interested in knowing what their customers are saying and in past years 70% of CEOs were interested in talking to an external strategic marketing organisation about this.

Understanding market perceptions is fundamental to knowing customer perceptions re what's valued from your business and what customers want from you, for example, new product and services. A customer perceptions study should address how your specific business performance metrics compare to an ideal supplier versus perceived actual.

This knowledge provides the strategies to be more effective. We often find the solutions to business woes are failures in systems and processes, people, service and quality, or that the marketing messages are off the mark.

Marketingheads is a marketing business that specialises in market research and has expertise in qualitative market research, business and marketing strategy development that can positively impact business.

Services include qualitative insights into customer and non-customers, including internal stakeholder perspectives, market sizing, understanding market needs and values that assist in developing strategies that are game changing or achieve exceptional results. We also execute the strategies to maximise results. Marketingheads celebrates 17 years in business in 2015.

We hope that this report is insightful and of assistance as we enter 2015.

For further information on this CEO survey or the services Marketingheads offer call (+61) (02) 9869 3314. Author: John Wakeling, Strategist & Director, Marketing Heads Australia Pty Ltd.

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