

Marketingheads™ CEO Future Trends Survey



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Marketingheads™ CEO Future Trends Survey 2017

Key Findings

97% of respondents are forecasting growth or expect to achieve the same results as last year.

Success factors CEOs believe they can **most influence** include:

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

Client relationships and engagement with customers is influenced by staff attitude, experience & retention although it declined as a metric CEOs believe they can influence this the most. It remains the most important success factor affecting business so remains very important and should not be overlooked. Well trained and committed staff able to explain your products and services and able to build personal client relationships are fundamental success factors and key differentiators. An opportunity exists for **training and or recruitment** of people willing to innovate and accept changing markets. Perhaps it's time as the business leader to inspire and challenge staff.

The importance of **marketing and communication** as a success factor again increased and corresponds with the increase in importance of client relationships and engagement with customers. There appears to be a realisation that these metrics are intrinsically linked as client relationships and engagement are created through more engaging marketing and communication and personal contact. **The challenge** is to understand how to best enrich and enhance your client relationships and engagement.

Unprompted Key Success Factors that affect business include:

- Engagement with customers
- Brand values & Changing markets & trends
- Employee attitude and motivation
- Marketing & Communications.

Essentially it's about **people** (Customer engagement and staff attitude and motivation), then, perceptions about your brand value, products and services and keeping abreast of changing markets and trends. **Costs and technology** appear interrelated as businesses look to technology to reduce cost and achieve efficiency. **Websites** are ranked more highly than previously as a means to provide credibility and information.

It appears essential to know what is changing in markets (insights) and what customer's value above price and expected service standards. Knowledge gives confidence to make game changing decisions about marketing and communication and how best to engage with customers and achieve exceptional results. Also not to be overlooked are quality and service as fundamental success factors providing differentiation.

Changing markets and trends is the third ranked key success factor indicating 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 places a greater emphasis on the need for brand values communicated to be relevant and for managers to be of a mindset to accept that change is inevitable and to proactively embrace change.

The **key economic success factor** again was **market confidence**. An added concern affecting confidence was that of geopolitical influences and government regulation.

This report also identifies what the **constraints** are to effective marketing and communication. Consideration must be given to address constraints to effectively maximise marketing and communication and thus business growth. Business constraints in this year's survey are **costs and finance, lack of qualified, skilled and competent people, attitude of internal people, company culture and a willingness to change and innovate**. Perhaps it's time to bring in external resources.

Importance of social media as an influencer for business in 2017 decreased for the first time, whilst the number of people unsure about its role increased significantly. Perhaps returns on investment (ROI) expectations are not being met. This appears to be a common issue as there is no easy system to measure ROI and it's a much heavier investment than most realise to be effective. I'm reliably informed there is a huge gap for credible providers to fill and it costs are significant to do social media well.

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*More than 80% of respondents say they have a **propensity to innovate and have provided examples**. This is exciting news for the Australian economy. We look forward to learning more about success in this area.*

*From a qualitative perspective CEOs and business owners we meet are looking for game changing strategies and exceptional results and are interested in investing in building the market knowledge (insights) and developing relevant strategy to better resonate with customers through engaging communication to develop deeper customer relationships. **Unfortunately there are no magic bullets.***

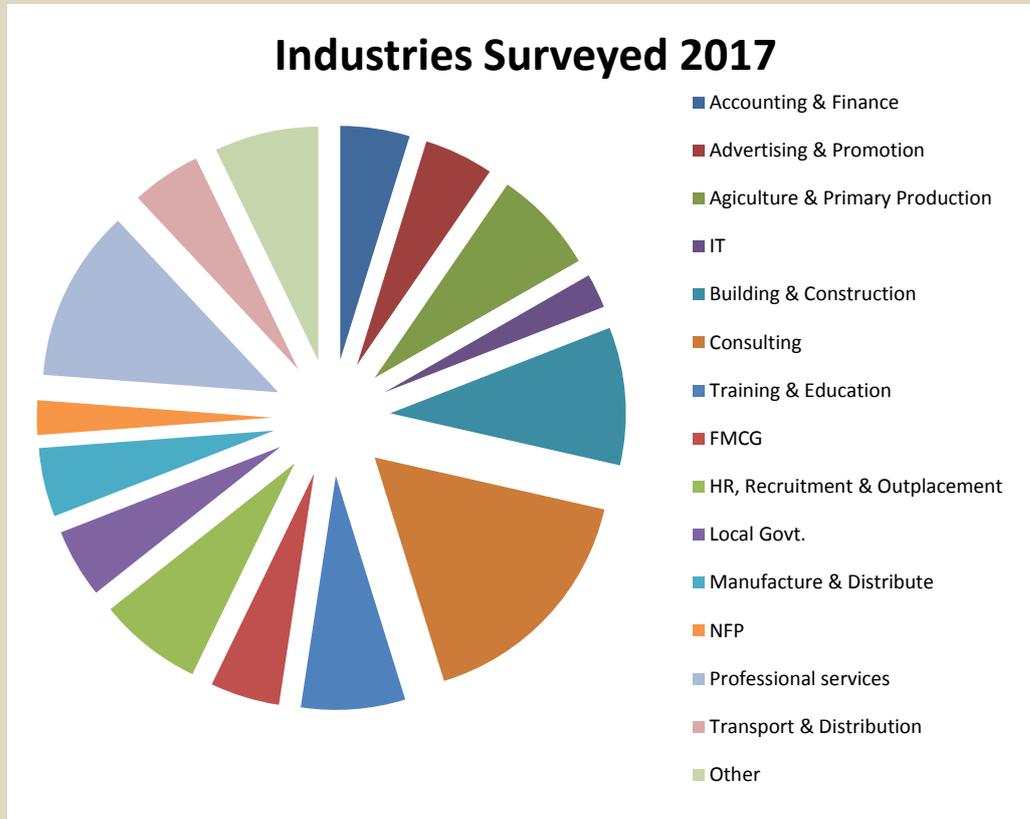
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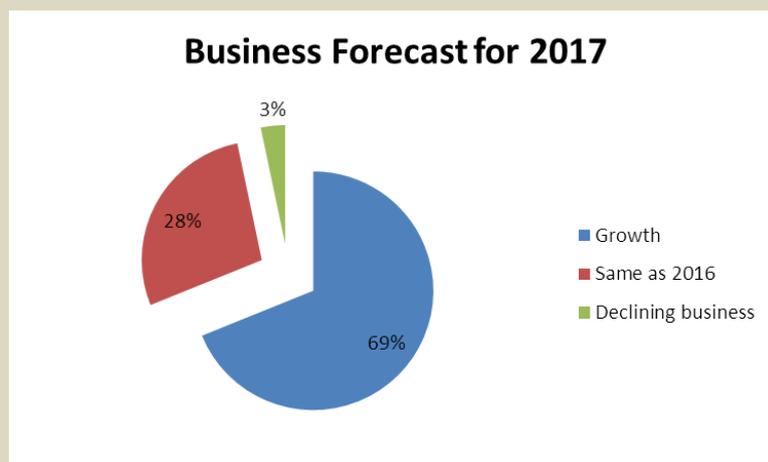
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Survey Report

This survey represents a wide range of industries and includes responses from CEOs, business leaders and business owners. The survey was conducted online in December 2016 to gauge perceptions and expectations for calendar year 2017 and was limited to 10 questions. Comparison data over several years is included thus providing a view re changes in attitude, perceptions and strategies employed, whilst some things remain fundamental success factors.

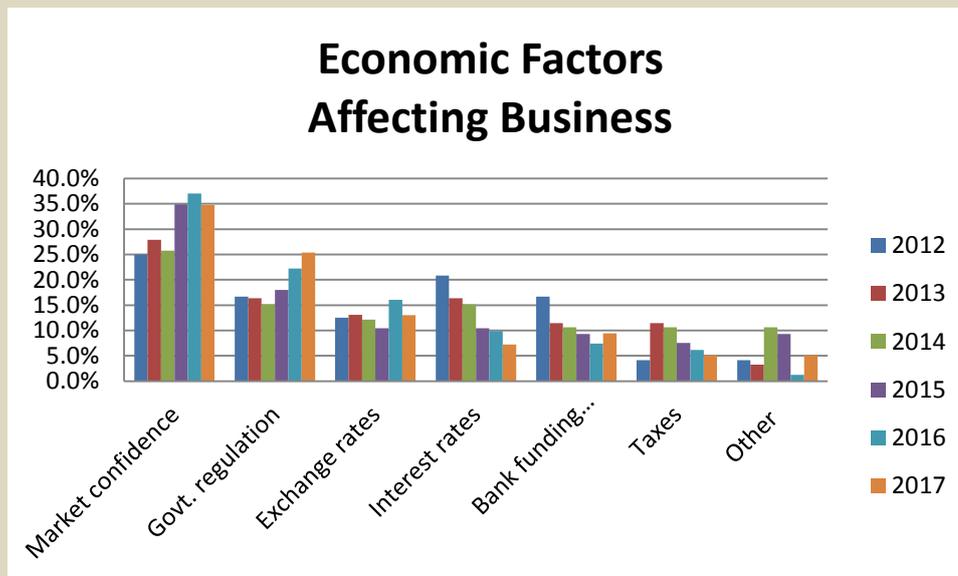


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CEOs continue to believe that the major economic factors influencing their business success are:

- Market confidence
- Government regulation & Exchange rates
- Bank funding has increased slightly, whilst interest rates and taxes have declined slightly.

The **key economic success factor** again was **market confidence**. Whilst this factor is not controllable, this says that uncertainty and a lack of timely knowledge of changing markets, trends and customers perceptions weighs heavily on confidence. Those with the knowledge, however, can confidently make decisions. An added concern affecting confidence was that of geopolitical influences and government regulation.

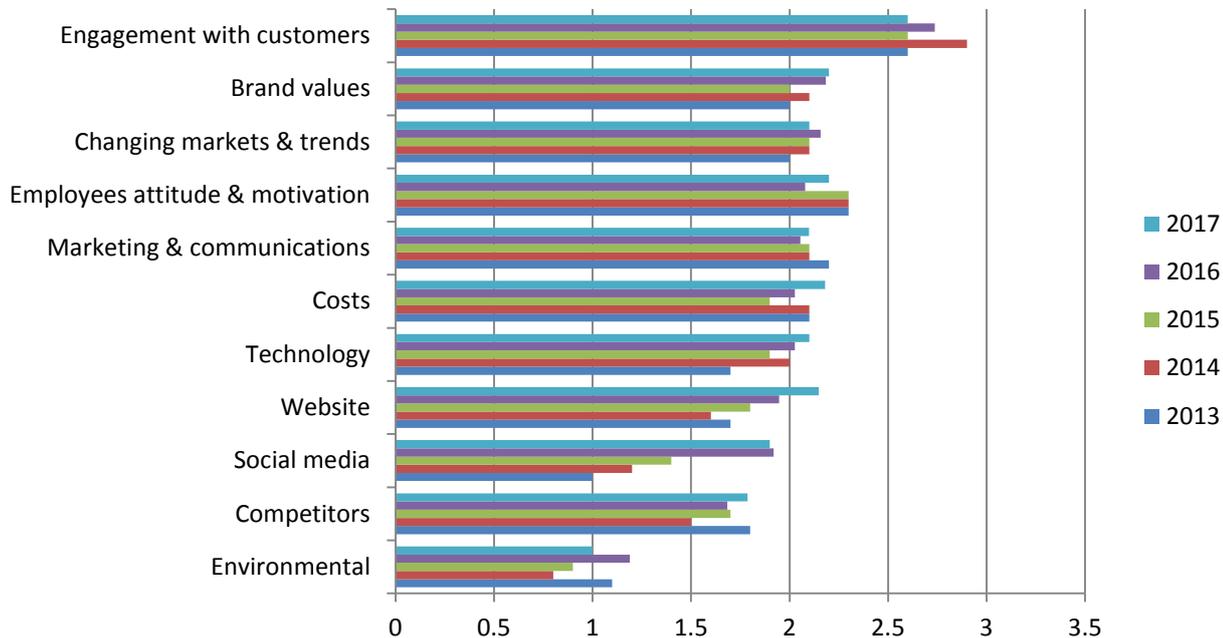
The key challenge then is how you gain confidence in the decisions and strategy that you employ.

Unprompted factors mentioned as influencers and/or distractors are:

- “TRUMP effect” on markets and currencies
- Marketing budget
- Early stage and venture capital access
- Willingness to consider outsourcing
- Digital disruption
- Globalisation, lower cost imports
- Private infrastructure investment
- Government spending & infrastructure projects
- Climate change
- Govt. Budget constraints
- Civil unrest overseas.

Sucess Factors Affecting Business

Weighted score of importance (out of 3)



The key success factors that respondents indicated most affect their business success are:

- Engagement with customers
- Brand values & Changing markets & trends
- Employee attitude and motivation
- Marketing & Communications
- Technology
- Costs.

It's very interesting that engagement with customers is the most talked about response throughout this survey for virtually all areas where respondents have an opportunity to comment and thus not surprisingly it is rated as one of the most important success factor affecting business.

Engagement with customers, brand values and changing markets are believed to be the most important success factors business need to address. This makes it absolutely critical to have a handle on what's changing in markets and what customer's value above price and expected service standards. It really begs the question: What are the engagement metrics that are valued in your business and how would customers rate your performance? Knowing this allows you to better target key narratives and measure what's important to customers.

Having well trained and committed staff able to explain your products and services and to build personal relationships are fundamental success factors and personal relationships are a key differentiator. This needs to be supported by a quality website able to clearly define your values. It also needs to be a dynamic website able to provide new relevant interesting content so that you obtain repeat visits and engagement.

Hence the importance placed upon your people strategy and management; specifically around employee attitude and motivation and retention of key relationship builders as success factors.

Marketing & communications are important success factors as are perceived brand values and knowing what markets and competitors are doing. Funding more marketing tactical collateral can be a waste of resources. Proper funding for well-directed insightful market research is a critical success factor not to be ignored. This will enable a strategic customer focus assuring your marketing strategies (and marketing collateral) resonate and are in tune with customers.

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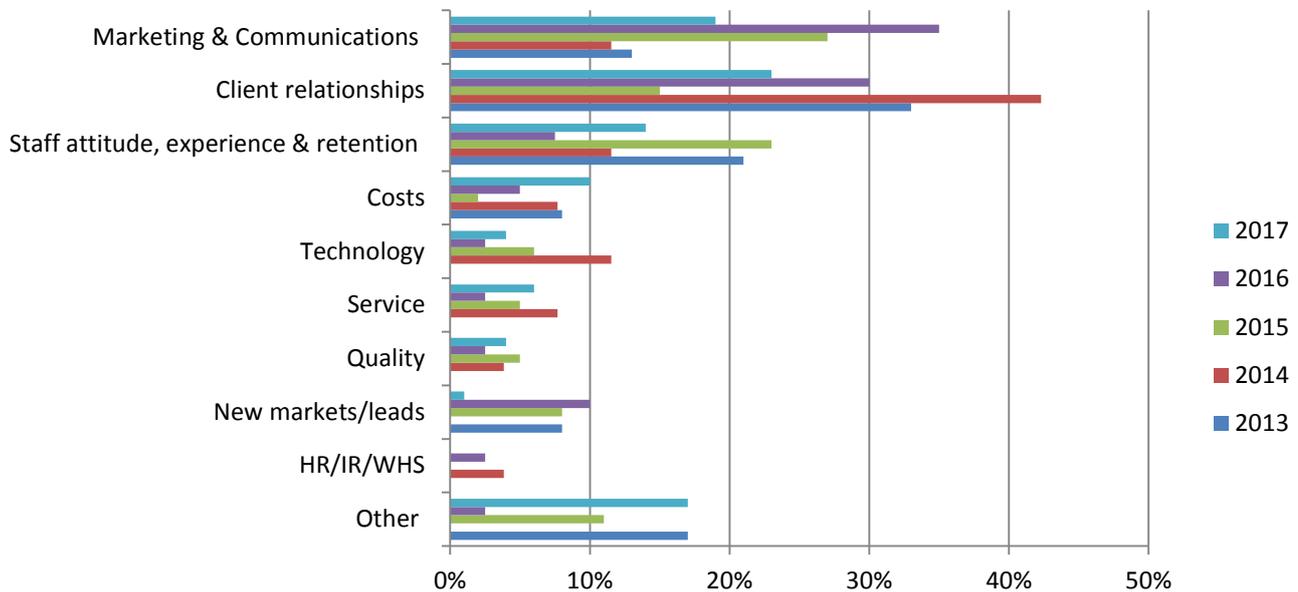
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Competitor factors increased in importance over the last year. Changing markets and trends increased marginally as an importance factor. This indicates that competitor activity/price and market changes (disruption) are factors affecting business and should be investigated to understand what gaps and opportunities exist as markets change. It's also a wakeup call for those who do not stay tuned to changing markets. It places greater emphasis on the need for brand values communicated to be relevant. Do they still make sense and when did you last conduct a market perceptions study with customers? For example: What are customer's perceptions of your business and what do they value? Are you still perceived to deliver high levels of customer service or are your products and services a grudge purchase?

Websites and technology are having an increasing role for business engagement, delivery and cost reduction and efficiency. Care must be taken to ensure adequate personal support is available to deepen and strengthen customer relationships. The caution here is that by depending upon digital media the value proposition can be lost and price becomes the only differentiator.

Unprompted success factors include unique intellectual property and cash flow.

Unprompted Success factors CEOs believe they can most influence



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

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

Importance of both marketing and communications and client relationships; CEOs believe their influence has decreased on the previous year, both however remain the most significant factors CEOs believe they can influence to achieve growth in 2017. These metrics are intrinsically linked as clever CEOs build depth of client relationships through more engaging marketing and communication and personal client relationships.

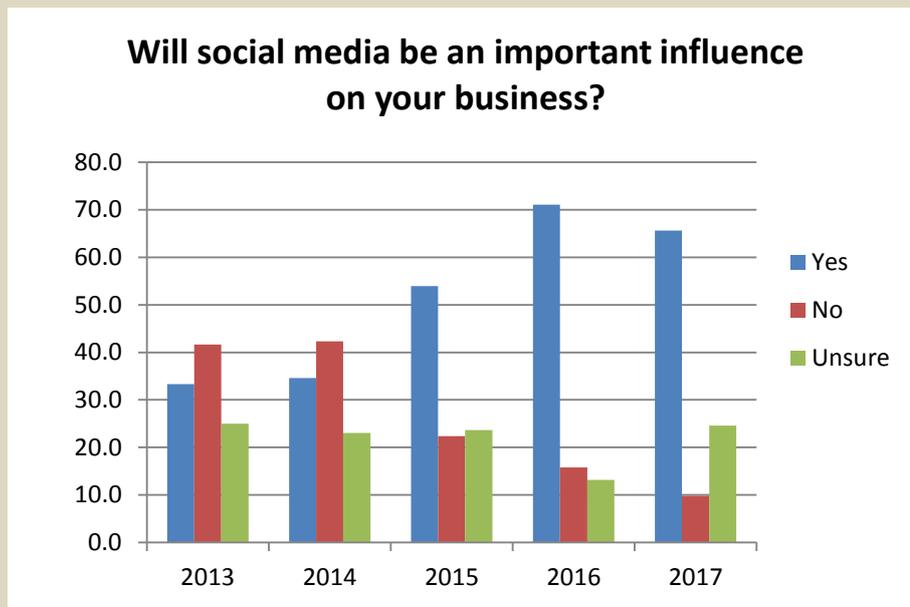
Staff attitude, experience & retention increased as a metric CEOs believe they can influence. It is the third most important success factor affecting business so remains very important and should not be overlooked. Statistics recently pointed out that 50% of people employed are actively looking for work and that flexibility of work hours is a key thing they are looking for. Could this be something you use to retain valued staff?

Personal contact from committed motivated staff able to explain your products and services and able to build relationships are an important success factor that we identify for many of our clients. So whilst digital media is used to check you out, decisions to buy often result from the experience customers have with your staff.

Also not to be overlooked are quality and service as these are fundamental success factors that provide differentiation and yet CEO's have not rated these highly as factors they can influence. Perhaps these are just simply expected to be delivered. Failure to deliver on either of these metrics is disastrous for a sustainable profitable business.

Seeking out new markets and generating new business leads is a very important importance factor. This goes hand in hand with a better understanding of market and customer needs and providing innovative and perhaps game changing disruptive solutions.

Costs are also an area CEOs believe they can influence.



Social media for the first time has decreased as an influencer for business in 2017, whilst those unsure about social media increased. Could this be because social media is only one part of an engagement strategy? What about personal contact? What role does it play? We are seeing success from those willing to engage at a personal level.

The fundamentals of a marketing strategy (plan) and suitable budget for this communication platform will determine its success. Like all other tactical mediums you need to ensure what is the best way to target customer communication (including narrative and tone) to your audience and to understand how to obtain a return on your investment.

Despite customer relationships being a highly prized success factor I wonder what role social media is playing in building deeper more meaningful customer relationships and revenues?

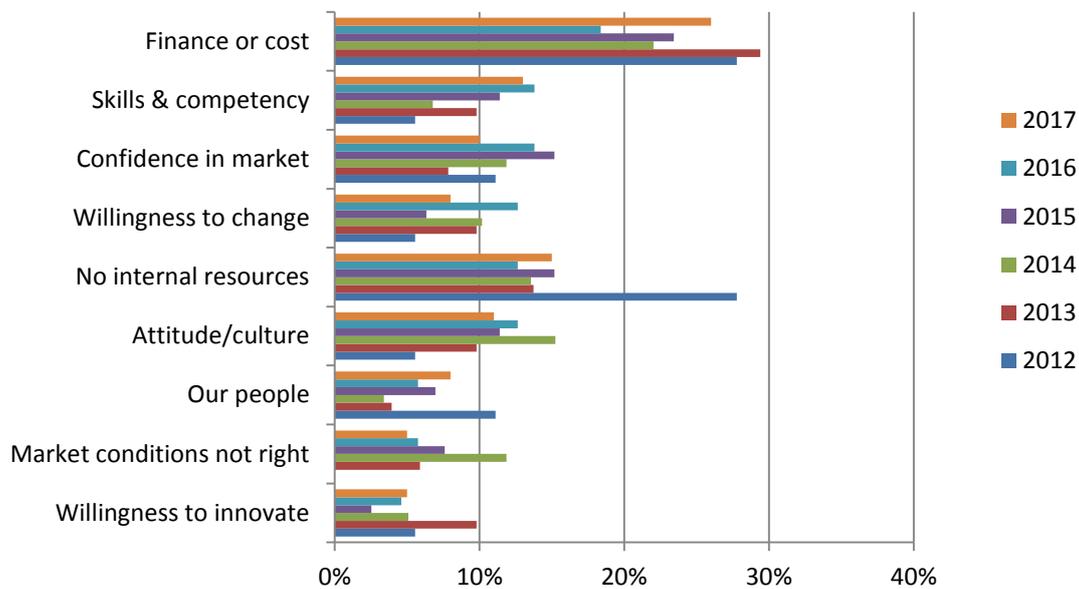
The big question is what do you need to communicate that will achieve better results and how do you improve the visitor experience for those visiting your website so they remain engaged and buy from you. Do you provide easy access to your staff that can help? Do you build relationships with your target market?

Check list for digital media:

- ✓ Not a quick fix for other marketing and communication failures
- ✓ Plan and objectives
- ✓ Funding to properly resource a digital campaign
- ✓ Does your target market engage in digital or social media, if so how & why
- ✓ Is your business communication on target and differentiated
- ✓ Is the content relevant and valued
- ✓ Is the content new and engaging
- ✓ Can social media demonstrate a return on investment
- ✓ Is there a robust ROI system to measure results
- ✓ Measure web traffic engagement, return visits, new visitors etc.
- ✓ Does it create a rich online experience and build relationships
- ✓ Ease of access to staff to cultivate and build personal relationships
- ✓ Are you accessing content experts in your field to ensure user experience and communication is on target?

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

What constrains effectiveness of marketing function



If marketing and communication is one of the most valued metrics managers believe they can influence then they need to consider how to effectively maximise their marketing function. Knowing what the constraints are is an excellent starting point.

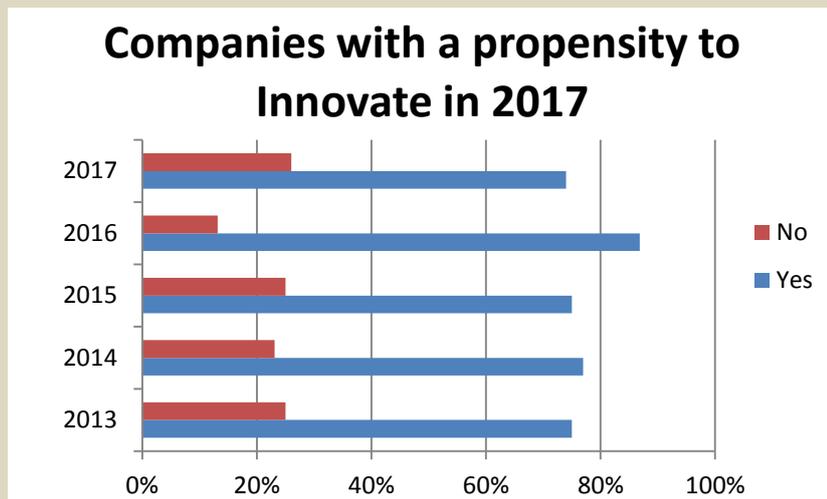
In this graph we compare respondent's responses and find that finance and cost continue to limit a company's ability to maximise the marketing function effectiveness and a lack of qualified/skilled/knowledgeable and professional internal resources contribute to this as does a willingness to innovate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

To improve the success of the marketing function there needs to be a focus on attitude & culture, people and improving skills and competency (training) and employing staff with a willingness to accept new ideas and innovation. Understanding where in your organisation the road blocks reside and doing something about it will be important in 2017 to achieve marketing and business success.

The challenge to achieve growth is perhaps to focus properly on the marketing and communication area to maximise the effectiveness of this role by engaging with trusted providers to provide relevant insights and strategy input to ensure the communications plan is capable of achieving return on investment and that it is not just deemed to be a cost any longer. It's only a cost when you're not obtaining results.

The metrics above are areas for strategies to be developed that address these issues, however, without proper funding, resourcing and budgeting for the marketing function and activities, whether it's internal or outsourced, marketing and business success will remain constrained.

Consideration should be given to engaging qualified external professionals with a proven track record to bring fresh eyes and ideas to your business. This could deliver greater value for the dollars invested.



It's exciting that Australian companies are thinking about innovation and are working to be more innovative. More than 70% of respondents said they have a propensity to innovate. We wonder in reality if the new ideas, products and services etc. are capable of disrupting the status quo and are truly innovative.

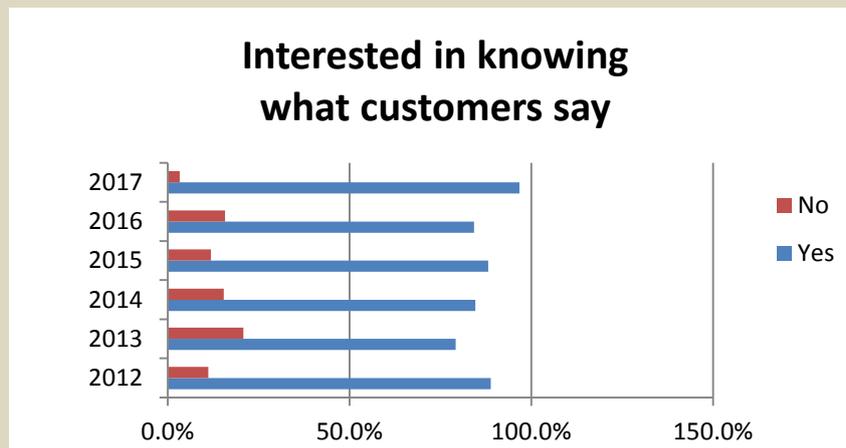
This question re innovation raised the most number of unprompted respondent comments and includes:

- *New ideas should be part of core business, not a separate "add-on"*
- *We have had to create new ways of client engagement and doing business. This required considerable innovation in systems and culture, new markets & new distribution channels*
- *Monitoring and assessing markets for opportunity*
- *Improving market knowledge, perceptions, increased market share*
- *New patents & IP*
- *New "state of the art" technology*
- *Better identification of customer needs*
- *New customer orientated programs*
- *Product & service offer beyond traditional scope*
- *Interaction via social media and websites*
- *New methods to solve old problems*
- *New systems & processes - Cloud based, online billing*
- *New mobile communications*
- *Using new technology*
- *New products, customer training programs*
- *International subcontracting*
- *Developing new software & partnerships*
- *Innovative marketing channels.*

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

- *Create a culture of acceptance of risk surrounding innovation and provide leadership to implement innovative systems and practices*
- *Understand and respond to changes in market better*
- *Allocate more time to develop relevant systems and processes*
- *Engage with technology more*
- *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*
- *Be less reactive and more proactive.*

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CEOs are interested in knowing what their customers are saying and in past years more than 80% of CEOs were interested in talking to an external strategic marketing organisation about this. So the question is what are you going to do about it?

Understanding market perceptions is fundamental to knowing what's valued from your business and what customers want from you, for example, what new product and services could be truly innovative. A customer perceptions study addresses how your specific business performance metrics compare to an ideal supplier versus your perceived actual. It also considers what challenges your customers face and what solutions are employed. This can form the basis for thinking more intelligently about innovation and developing more engaging marketing and communication. This knowledge can also provide the strategies to be more effective and the confidence to make game changing decisions. We often find the solutions to business woes are failures in systems and processes, people, customer service and quality, or that the marketing messages are off strategy and target.

If you are inspired and challenged to do more and would like to learn more we are happy to meet with you to discuss any aspect of this report. For further information call the author: John Wakeling, Strategist & Director, Marketingheads. (+61) (02) 9869 3314. john.wakeling@marketingheads.com.au

To have a discussion about how video can fit into your corporate marketing engagement strategy, have a chat with the team at **dnm video & photography** (+61) (02) 9659 1333 or 0419 997397. info@dnmvideo.com.au www.dnmvideo.com.au

Marketingheads is a multi-awarded marketing business that specialises in market research. We uncover what customers will not tell you so that we can produce Marketing and Branding that is Insightful, Relevant and Tangible. It's the strategic insights that create the right foundations for exceptional marketing & branding.

Marketingheads focus is about questions and answers (Giving clients the power of insight) and strategic solutions (The tangible solutions that have resonance with customers to produce exceptional results). We provide confidence and certainty for business decision makers. Our clients do not accept the status quo (hindsight). They have a willingness to understand market insights and to adopt game changing strategies and expect exceptional results.

Marketingheads celebrates 19 years in business in 2017. Each year since 2012 Marketingheads have been recognised for their business excellence "Finalist - Excellence in Business Ethics".



For further information call the author: John Wakeling, Strategist & Director, Marketingheads Australia Pty Ltd. (+61) (02) 9869 3314. Cover photo: Copyright: http://www.123rf.com/profile_rashica

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