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DRIVING MARKETING SUCCESS

MARKETER'S PULSE™

EXECUTIVE SUMMARY

Overall, the Canadian marketing environment appears to be stable. Against a backdrop of moderately improving business conditions and consumer confidence, we perceive the perspectives of Canadian marketers to be modestly optimistic.

- Business conditions are reported to be stable to improving for 85% of respondents.
- Three-quarters of respondents perceived the confidence of their consumers will remain stable for the coming year.
- There was a three-way split among respondents on the question of marketing communications budgets increasing, decreasing or staying the same this year over last.
- Marketing communications budgets are shifting to focus more on digital/social media, according to just over half of respondents.
- Head count in marketing organizations is remaining unchanged or growing for almost 80% of respondents; however, one-third indicated a change in marketing organization structure.
- Marketing planning cycles are reported to skew short term versus long term, and toward a business-building/price promotion focus versus brand-building.
- Corporate social responsibility (CSR) appears to be on every marketer's radar screen, with respondents indicating their CSR efforts will remain as planned or will be expanding.
- Based on a list of CMO challenges, respondents reported a strong focus on *'understanding the changes in the consumer decision journey due to their increased access to information and transactional touchpoints.'*

ACA is pleased to provide you with the first report from the ACA Marketer's Pulse panel.

This report contains baseline results of what marketers are thinking, planning and experiencing at their workplaces, with their suppliers and partners, and with their consumers.

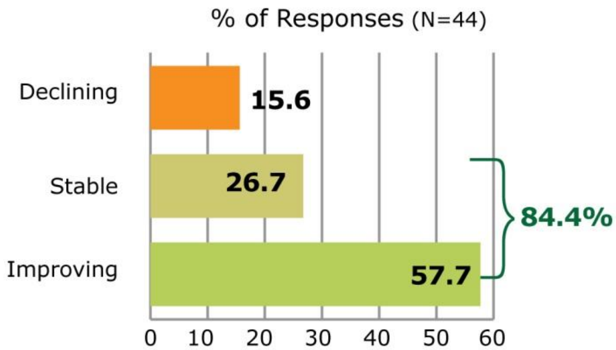
Thank you to the senior Canadian marketers who agreed to provide their perspectives and insights. The ACA will continue to monitor the changing dynamics in the Canadian marketing environment, and to provide you with current results and trend lines as they develop.

To learn more about this report and how you can realize value from your ACA membership, contact Susan Charles, Vice President, Member Services at *(416) 964-1538* or *scharles@ACAweb.ca*.

DETAILED RESULTS

1. Business (sales/revenue) expectations

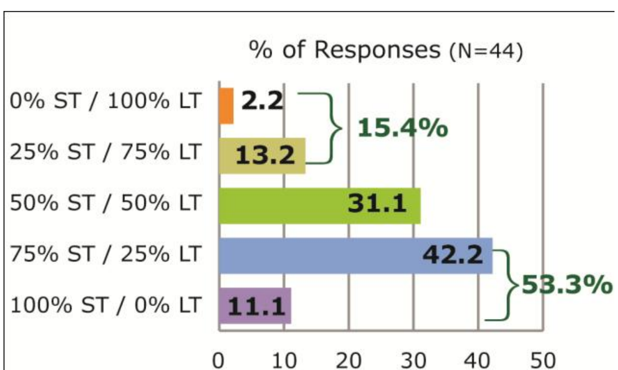
Almost 58% of panelists indicated improved expectations for sales/revenue, and almost 85% reported stable to improving expectations.



Question: *Are your overall business (sales/revenue) expectations changing this year versus last year?*

2. Current marketing planning cycle

The marketing planning cycle is seen as a mix of short term (ST) and long term (LT). Just over 53% reported an emphasis on short-term planning. The largest segment (42.2% of respondents) indicated a 75% ST - 25% LT split for their marketing planning cycle.

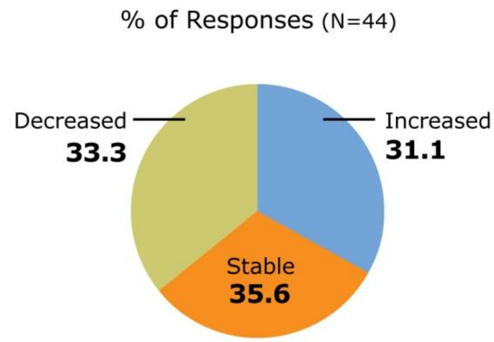


Question: *Which percentage best describes your current marketing planning cycle time between short term and long term?*

3. Changes in MarCom budgets

There was a proportionate split in response to the question about increasing, stable and declining changes in MarCom budgets this year over last.

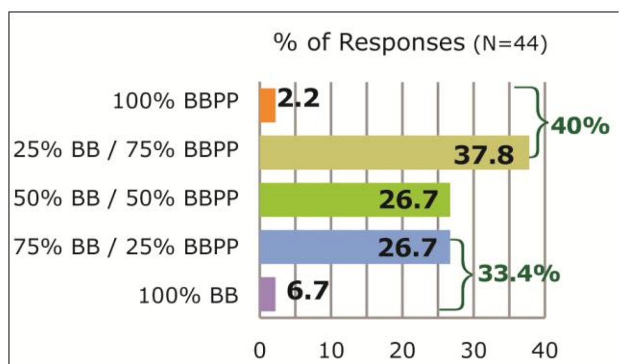
Question: *How are your marketing communications*



budgets affected this year versus last year?

4. Focus on brand-building versus business-building/price promotions

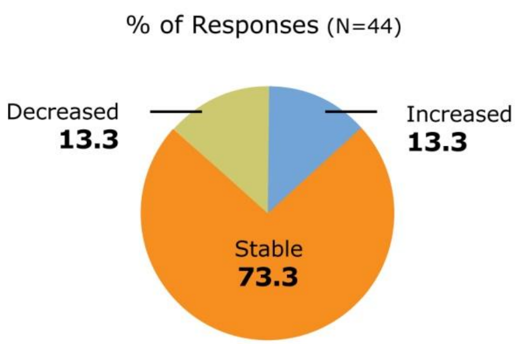
There is a skew to business-building/price promotion (BBBP) as indicated by 40% of respondents versus 33.4% of respondents indicating an emphasis toward brand-building (BB). The predominant scenario was 25% brand-building (BB)/75% business-building/price promotion (BBPP), as indicated by 37.8% of respondents.



Question: *Which percentage split best describes your current marketing communications focus between brand-building and business-building / price promotion?*

5. Perspectives on consumer confidence

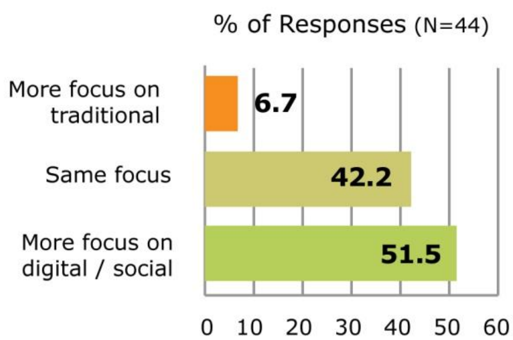
The clear majority of respondents (73.3%) indicated they believed their consumers' confidence will remain stable over the next year. Interestingly, the balance of respondent perceptions is split between improving and declining consumer confidence.



Question: *What is your perspective on your consumer confidence index for the next 12 month period?*

6. Shift in MarCom budget allocations

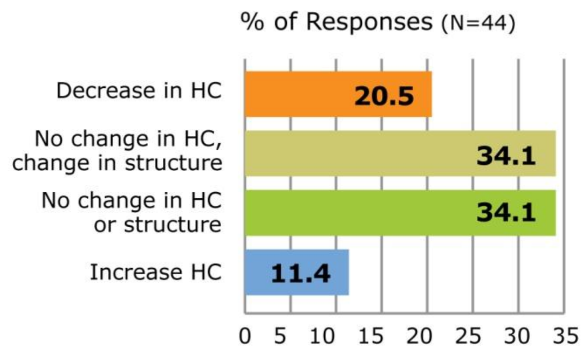
There are clear indications that respondents are shifting MarCom budgets to digital/social media channels, as indicated by 51.5% of respondents. Conversely, only 6.7% indicated a shift toward traditional MarCom channels.



Question*: Are you shifting marketing communications budgets between various marketing communications channels this year versus last year?*

7. Change in marketing organization head count

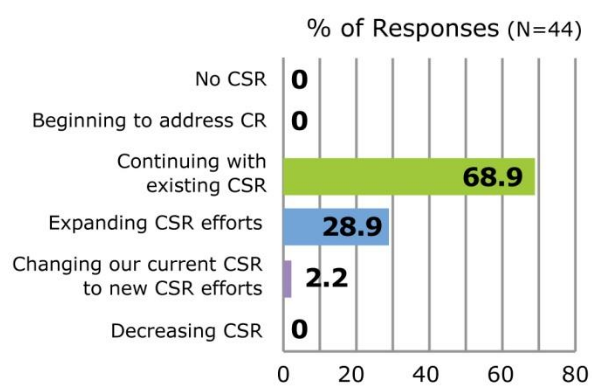
While 20% of marketing organizations are experiencing a decrease in head count (HC), the balance has indicated stability or growth. It is also noted that just over one-third of respondents have indicated a change in organization structure.



Question: *Has there been any impact on your marketing organization due to the current volatile economic environment? (change in head count (HC) and organization structure)*

8. Changes in Corporate Social Responsibility (CSR) efforts

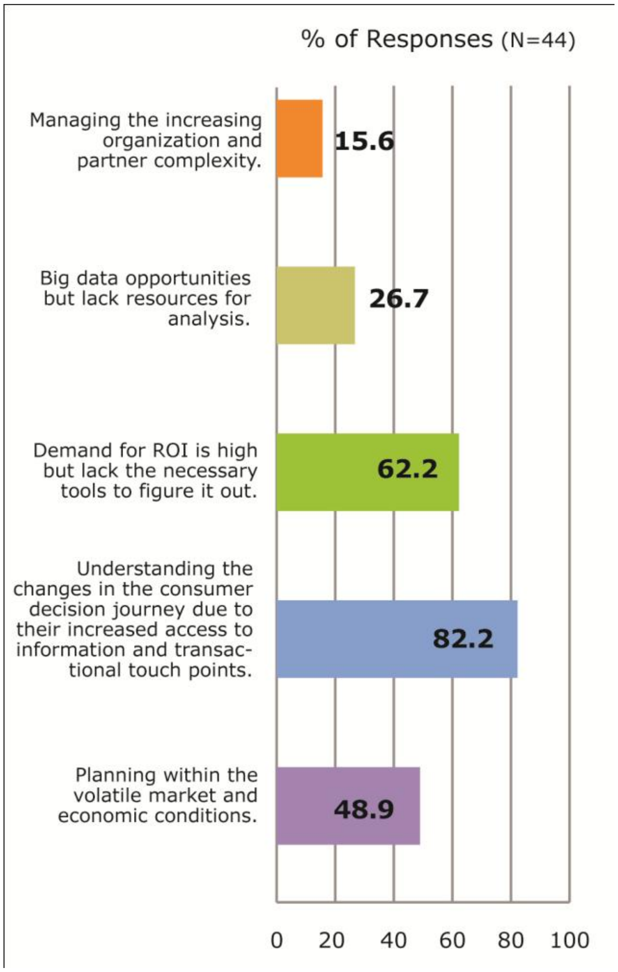
Marketers are involved with CSR. It is part of all respondents' ongoing organization efforts, with the majority (68.9%) continuing with their current plans. The balance of respondents is expanding CSR efforts.



Question: *Are your organization's efforts regarding Corporate Social Responsibility (CSR) changing this year versus last year?*

9. CMO challenges

From a list of marketing issues that have been reported from various sources as important, the majority of respondents (82.2%) are wrestling with the issue of "understanding the changes in their consumer decision journey due to their increased access to information and transactional touch points." "Demand for ROI but lack necessary tools to figure it out" is the next most important issue on their radar screens (62.2%).



Question: *The following CMO challenges have been identified as important. Please indicate which are significantly important for your organization. (Multiple answers)*

ABOUT ACA MARKETER'S PULSE

ACA seeks input from senior Canadian marketers to provide valuable insights into Canadian marketing dynamics. The ACA Marketers' Pulse panel, comprised of senior Canadian marketers, shares what they are thinking, planning and experiencing at their workplaces, with their suppliers and partners, and with their consumers. The panel is asked questions about their current business conditions, perceptions and strategic priorities. The ACA Marketer's Pulse Report provides the results of this and future surveys.

- **Panel composition**
  - Senior marketers in Canada, representing a cross section of industry sectors and marketing/MarCom spending levels
  - 63 senior Canadian marketers registered to date
- **March 2012 survey respondents**
  - 46 (74% English, 26% French)
- **Field dates**
  - March 1 – 30, 2012
- **Methodology**
  - Survey questions developed by ACA with input from ACA members
  - Survey Monkey link emailed to panelists
  - All results are reported in aggregate to protect confidentiality
  - Report written by ACA

ABOUT ACA

The Association of Canadian Advertisers (ACA) is a national, not-for-profit association exclusively dedicated to serving the interest of companies that market and advertise their products and services in Canada. For more than 95 years, the ACA has been the premier Canadian marketing association, with an unparalleled track record in driving marketing success for our members.

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