



# MARKETER'S PULSE



## EXECUTIVE SUMMARY

The September / October 2013 ACA Marketer's Pulse Report focus is on marketing innovation. It explores the innovation culture within Canadian companies, for their **strategic initiatives, organization structure and budget commitments**. The questions were developed by Bert DuMars, VP & Principal Analyst at Forrester Research, who believes successful organizations must build a marketing innovation foundation and culture to retain and/or gain a competitive advantage in the new world order.

**Canadian companies are not 'walking the talk'!** As a general observation, innovation strategy initiatives are being considered but are lacking support of organization structure and budget commitment.

The survey respondents indicated their degree of agreement to a list of statements based on the following scale: 1- do not agree; 2- partially agree; 3 – mostly agree; 4 – agree. The results are based on the input of 49 ACA Marketer's Pulse panellists of senior Canadian marketers.

1. Canadian companies scored innovation strategies highest, but are not supporting these initiatives with organization structure or budget commitments.
2. When plotted along an innovation culture spectrum, the vast majority of Canadian marketers rated their company's innovation culture within the two middle cultures being defined as 'pragmatists' and 'experimenters'. Notably, only 1 marketer admitted to being at the low end of the innovation spectrum as 'risk adverse' while few are confident that they are at the top end as 'customer obsessed'. These scores indicate that there is significant development required to optimize their innovation cultures and reach the 'customer obsessed' state.
3. Strategically, marketers are open to innovation ideas and to setting goals, but the processes behind this are less well established.
4. From an organization structure perspective, Canadian marketers are willing to invite people to engage in pilot projects of innovation, but do not support dedicating resources or infrastructure, or integrating these efforts back into the organization.
5. Further, Canadian companies are not committing budgets to support innovation initiatives and, therefore, will jeopardize opportunities to gain competitive advantage versus their competition.
6. In comparison to US results from a similar survey, Canadian marketers rate themselves as having a moderately higher developed innovation culture on all 3 categories of strategy, organization structure and budget commitments.

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

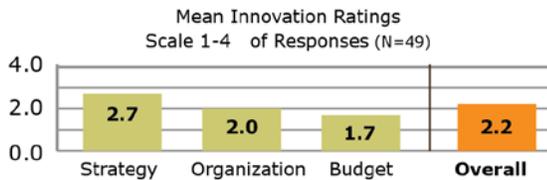
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## 1. Mean Innovation Scores by Category

Canadian marketers indicated their degree of agreement to a list of statements that addressed innovation culture categorized as **'strategic initiatives'**, **'organization structure'** and **'budget commitment'**. The agreement ratings are on a scale of 1 – 4 as follows: 1 = do not agree; 2 = partially agree; 3 = mostly agree; 4 = agree.

Overall, the mean innovation culture score is 2.2 out of a possible 4. The majority (57%) rated their innovation strategy highest, followed by organization and budget.

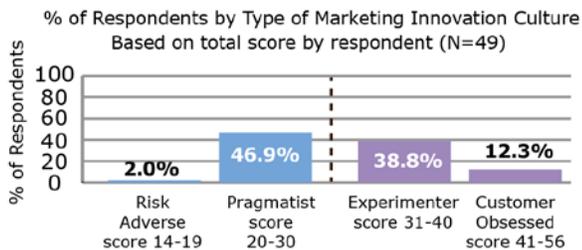


## 2. Respondent Ratings of their Organization's Innovation Culture

(Innovation culture definitions by Forrester Research – see right side of page\*)

Based on a total score for each respondent, the following shows the distribution of marketers across the innovation culture spectrum.

The vast majority of Canadian marketers rated their company's innovation culture within the two middle cultures being defined as 'pragmatists' and 'experimenters'. Only 1 marketer admitted to being at the low end of the innovation spectrum as 'risk adverse' while few are confident that they are at the top end as 'customer obsessed'.



## \*Types of Innovation Cultures

### Customer Obsessed:

These firms are defined by their complete immersion in and understanding of the lifestyle needs and wants of their target consumer segments. They build a culture that allows them to be disrupters in their markets. Marketers in this culture flexibly innovate to achieve audacious goals.

### Experimenter:

Typically, firms with an experimenter culture are highly focused on innovation in their market segments and very customer-focused. They create rapid marketing innovations as point solutions or tests but are not building a long-term marketing innovations foundation or culture. This culture is known for rapid innovations that lack long-term strategy.

### Pragmatist:

This culture is typically conservative and consensus driven, which makes it slow to move and react to market changes. These organizations' current marketing programs still drive business but are at risk of new threats from faster-moving, smaller competitors. This culture innovates opportunistically and sporadically.

### Risk-Adverse:

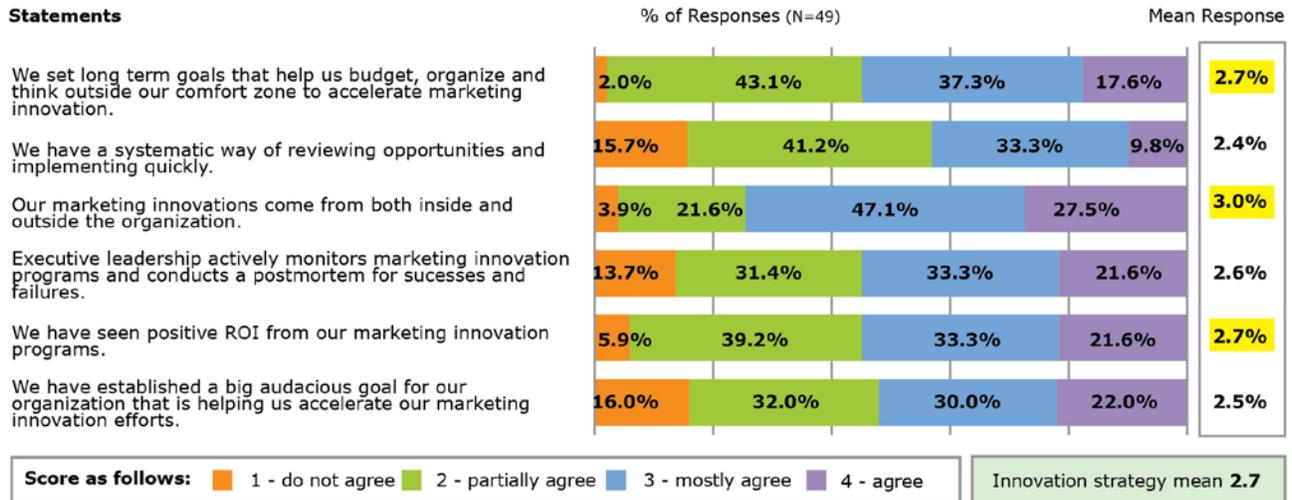
This culture typically exhibits command-and-control personalities like those that are in highly regulated industries or that have monopolistic or oligopolistic power within their market segments. They only innovate when forced.

### 3. Company's Innovation Strategy

Marketers scored their company's innovation strategy based on degree of agreement to the list of statements. The scores were totalled and the mean score was calculated.

Overall, the mean score for innovation strategy is 2.7 out of a possible 4.

The respondents' scores indicate that Canadian marketers are open to innovation ideas, to setting goals and have seen positive ROI from innovation programs, but the processes are less well established.

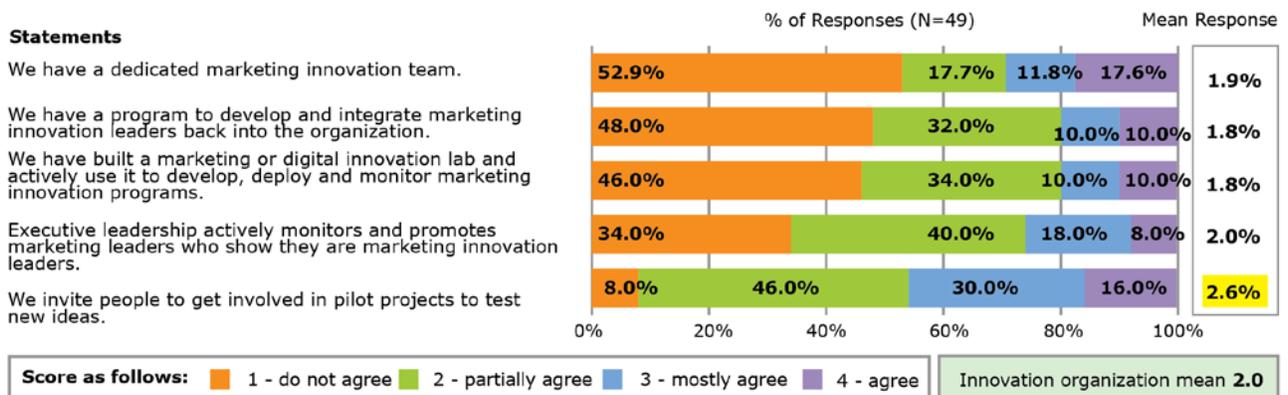


**Question:** Please rate the following about your organization's strategy as it relates to your marketing innovation initiatives.

### 4. Company's Organization Structure to Support Innovation Initiatives

Marketers scored their company's organization structure to support innovation initiatives based on degree of agreement to the list of statements. The scores were totalled and the mean score was calculated. The mean score for organization structure of 2.0 was lower than the innovation strategy mean score of 2.7.

While marketers are willing to invite people to engage in pilot projects of innovation, there is lack of dedicated resources, infrastructure and integration of these efforts back into the organization.

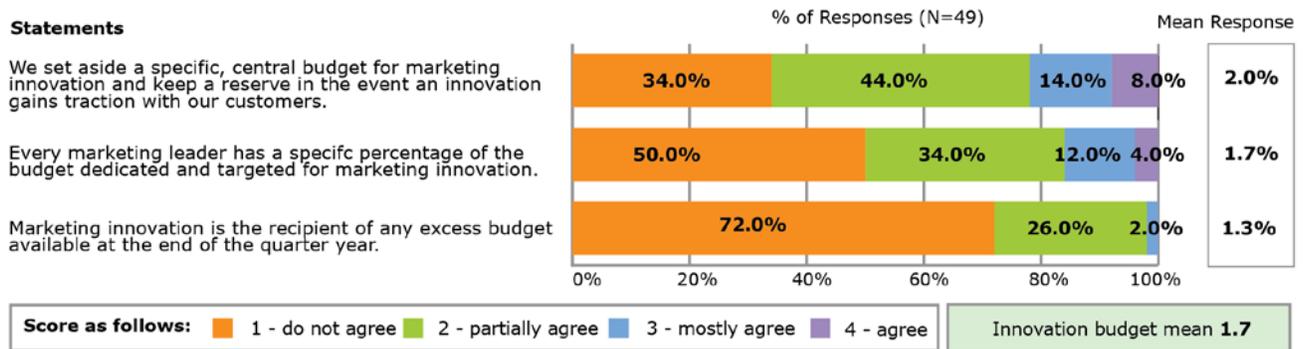


**Question:** Please rate the following about your company's organization as it relates to your marketing innovation initiatives.

## 5. Company's Innovation Budget Commitment

Marketers scored their company's innovation budget commitment based on degree of agreement to the list of statements. The scores were totalled and the mean score was calculated.

Canadian companies are not 'walking the talk!' They are NOT committing budgets for development or optimization of strategic innovation initiatives. The mean score for budget was lowest of the 3 culture categories at 1.7.



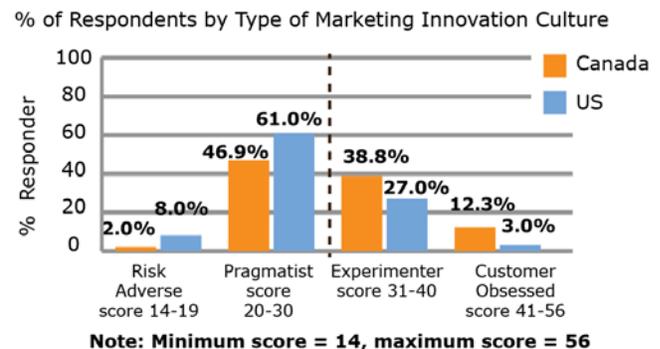
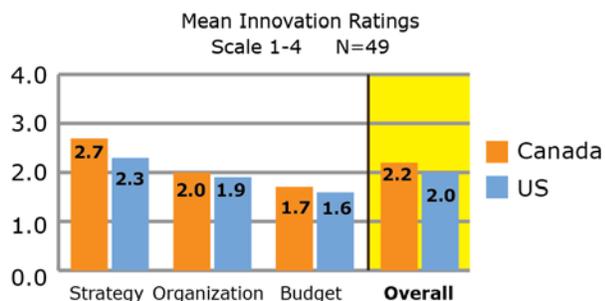
**Question:** Please rate the following about your organization's budget as it relates to your marketing innovation initiatives.

## 6. Development of Canadian Innovation Culture versus US

This Canadian survey is similar to the US survey conducted by Bert DuMars of Forrester Research. With permission, the Canadian results have been compared to the US results from his July 23, 2013 report 'Benchmarking Your Marketing Innovation Culture'.

On a comparison basis, Canadian marketers rate their innovation culture higher than the US for all innovation culture categories.

Canadian marketers scored at the higher or right side of the innovation culture spectrum versus the US indicating a more evolved innovation marketing culture.



## BENCHMARK YOUR ORGANIZATION'S INNOVATION CULTURE



Here is the model to benchmark your organization's innovation culture in relation to the survey results for Canada. For each of the statements listed in the charts on sections 3, 4 and 5, rate your organization's innovation culture.

### Score each response as follows:

**1 point - do not agree** (My company currently has no plans to drive marketing innovation faster.)

**2 points - partially agree** (My company meets the criterion with a number of exceptions or is developing a plan to drive marketing innovation faster.)

**3 points - mostly agree** (My company generally meets the innovation criterion with only a few exceptions or is actively pursuing ways to innovate faster.)

**4 points - agree** (We have fully implemented this innovation capability and are successfully growing our business.)

Total your score for each category of innovation culture (strategy, organization and budget) as well as total score.

Benchmark your scores to the results provided in this report to see where your company fits on the innovation culture continuum. Additionally, you will be able to note your comparative strengths and weaknesses within the 3 innovation culture categories of strategic initiatives, organization structure and budget commitment.

## ABOUT ACA MARKETER'S PULSE



ACA seeks input from senior Canadian marketers to provide valuable insights into Canadian marketing dynamics. The ACA Marketer's Pulse Panel, comprised of senior Canadian marketers, shares what they are thinking, planning and experiencing at their workplaces, and with their suppliers, partners and 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**
  - The panel consists of senior marketers in Canada, representing a cross section of industry sectors and marketing/MarCom spending levels.
  - Almost 100 senior Canadian marketers are registered to date.
- **September/October 2013 survey respondents**
  - 49 (88% English, 12% French)
- **Field dates**
  - September 16 – October 7, 2013
- **Methodology**
  - Survey Monkey link emailed to panelists
  - All results are reported in aggregate to protect confidentiality
  - Report written by ACA

## ABOUT ACA



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