



MARKETER'S PULSE

EXECUTIVE SUMMARY

The Marketer's Pulse Panel of senior Canadian marketers has tracked three key indicators since February 2012. Results of the January 2014 survey indicate that both business expectations and MarCom budgets will remain the same, yet there is a noted increased level of consumer confidence. Over the past 2 years all three indicators have shown low levels of declining expectations.

This report provides a special focus on brand 'purpose' marketing, defined as supporting a good cause, producing a product that addresses a societal issue or adopting ethical business practices. The Canadian survey is part of a global study, conducted at the same time by the World Federation of Advertisers (WFA). The following provides observations of 'purpose' marketing in Canada and how it compares with the rest of world:

- It is almost universally believed both in Canada and globally, that 'purpose' marketing is important to building brands.
- Similar to global perspectives, Canadians believe that involvement in 'purpose' marketing should begin at the top level of the organization.
- Canadian marketers have a much stronger commitment toward community-focused programs than their global counterparts.
- Consistent with the global perspective, most do not believe that it is possible to measure the ROI of 'purpose' marketing in terms of business results. Yet a recent Effective Brands report demonstrates that brands with 'purpose' have the ability to drive higher business growth, margin and price than those without.
- Marketers believe social media is essential to engaging consumers with their brand 'purpose' marketing, yet this shows a disconnect, as over half have experienced consumer backlash.
- Currently, Tim Hortons is perceived to be the leading **brand 'purpose'** marketer in Canada.

ACA is pleased to provide you with the seventh report from the ACA Marketer's Pulse Panel.

Published three times per year, the Marketer's Pulse captures the best of what Canadian marketers are thinking, planning and experiencing at their workplaces, and with their suppliers, partners and consumers.

Thank you to the senior Canadian marketers who agreed to provide their perspectives and insights. The ACA will continue to monitor the pulse of 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 additional value from your ACA membership, contact Susan Charles, Vice President, Member Services at (416) 964-1538 or scharles@ACAweb.ca.



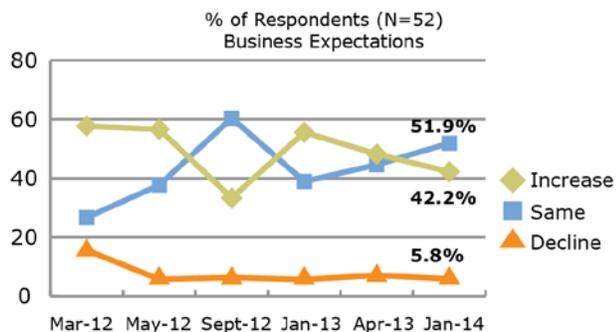
DETAILED RESULTS



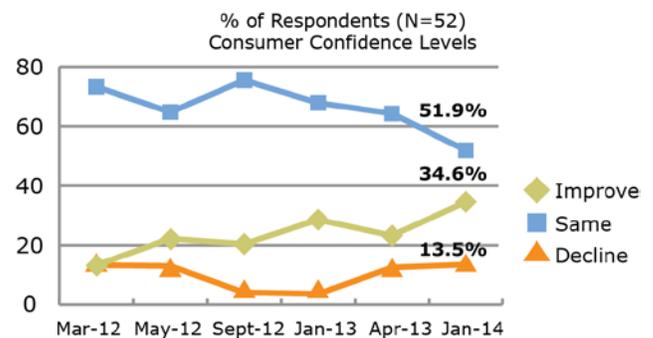
1. Business expectations, consumer confidence levels and changes in MarCom budgets

The panel has reported on three key indicators in six of the surveys undertaken since February 2012. The results provide a trend line for business expectations, perspectives on consumer confidence and anticipated changes in MarCom budgets.

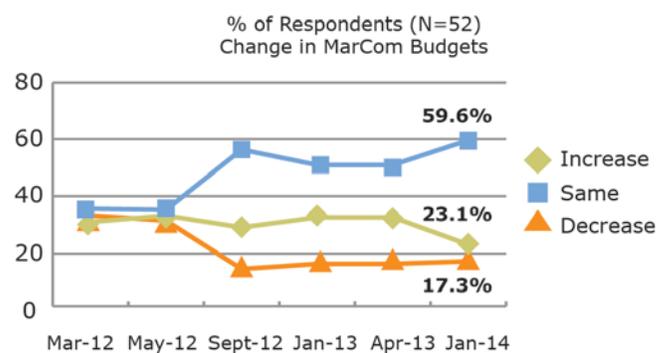
There is a predominant perspective that both business expectations and MarCom budgets will remain the same despite a marked shift to increased level of consumer confidence.



Question: Over the next 6 months, I expect my business (sales/revenue) will: Increase, Stay about the same, Decline.



Question: Over the next 6 months I expect my consumers' confidence level will: Improve, Stay the same or Decline.



Question: Going forward, I expect my marketing communications budget will: Increase, Stay about the same, Decrease.

2. Perspectives on brand 'purpose' marketing

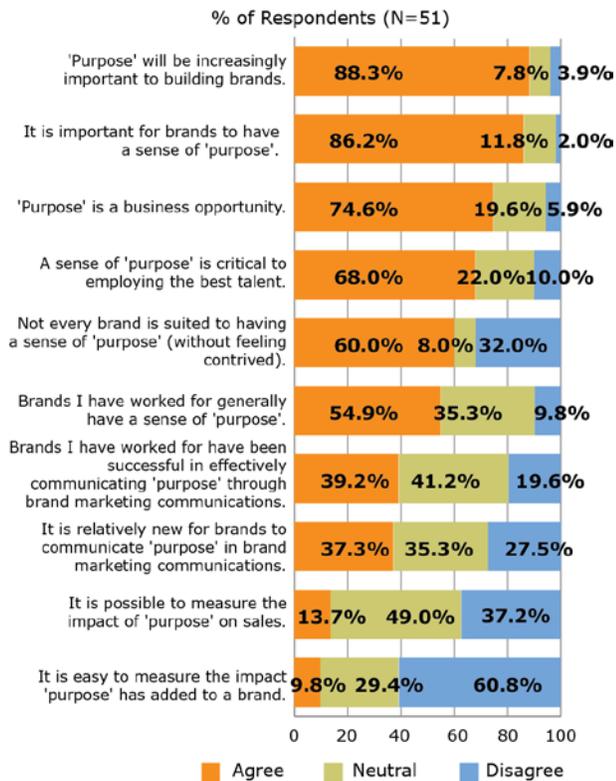
Research suggests there is a growing trend among consumers to support brands that have a perceived 'purpose'. 'Purpose' can mean supporting a good cause, producing a product that addresses a societal issue or adopting ethical business practices. It can be integral to a company mindset, be central to all customer relations or impact employee welfare. It can simply affect the way the company goes about its business.

The following provides a perspective on brand 'purpose' marketing. Canadian results are similar to global benchmarks.

- The vast majority (>75%) believe that brand 'purpose' marketing is an important contributing factor in building both brand and business.
- There is a strong belief (68%) that a sense of 'purpose' can play an important role in employing the best talent at an organization, however it is not believed (60%) that all brands are suited to 'purpose' marketing.
- Just over half (55%) of respondents indicated that the brands they have worked for generally have a sense of 'purpose'.
- There are differing views on the effectiveness of MarCom in communicating brand 'purpose', coinciding with the belief that there is somewhat limited industry experience with this type of marketing.
- There is low level of agreement (<14%) as to the ability to measure the impact of 'purpose' marketing on sales or on a brand overall.

Refer to graph at top of next page.

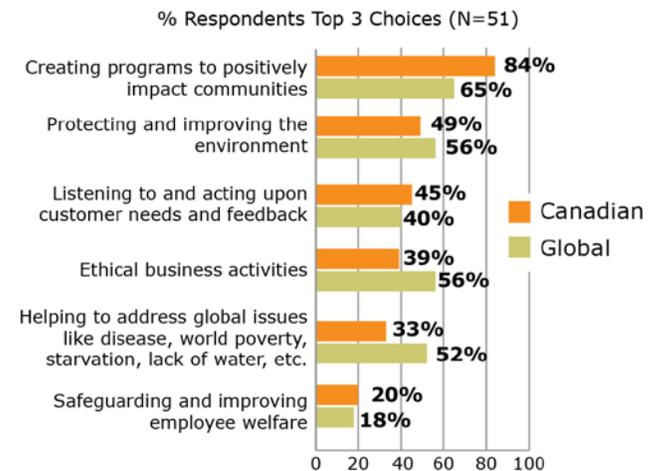




Question: On a scale of 1 to 5, where 1 = Strongly disagree and 5 = Strongly agree, please indicate the extent to which you personally agree with the following statements.
Results for Agree include ratings of 4 and 5. Results for Disagree include ratings of 1 and 2.

3. Meaning of 'purpose'

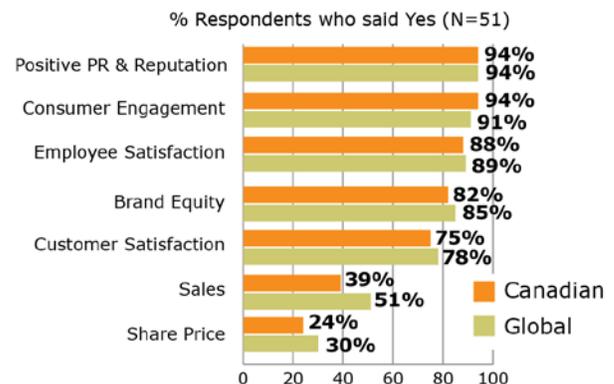
It is almost universally agreed that 'purpose' is about creating programs that positively impact communities. However this does not necessarily translate into employee welfare initiatives. There appears to be delineation between employment-related causes and community needs. Versus a global perspective Canada has a stronger commitment toward community-oriented programs and conversely, a lesser commitment to ethical business activities and addressing global issues.



Question: What to you is 'purpose'? (Please select the 3 most important to you.)
Note: Global data sourced from WFA 2014 survey.

4. Measuring the impact of 'purpose' on KPIs

Consistent with the global perspective, dramatically few Canadian marketers believe that it is possible to measure impact on quantifiable financial measures such as sales and share price. However, there is an extremely strong belief that it is possible to measure the impact on the non-tangible brand metrics such as reputation, consumer engagement, employee satisfaction and brand equity.



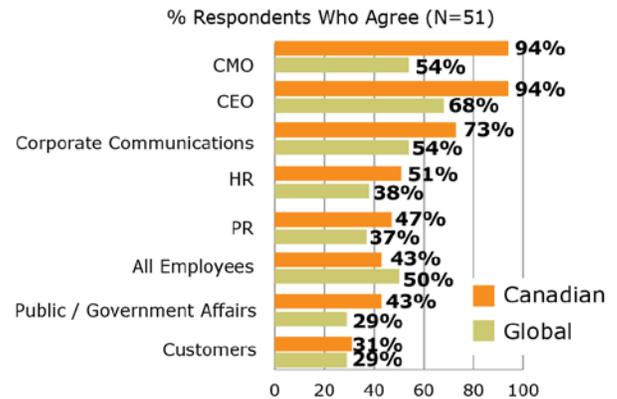
Question: Is it possible to measure the impact of 'purpose' on...? (Please answer 'Yes', 'No' or 'Don't know'.)
Note: Global data sourced from WFA 2014 survey



5. Who should be involved in 'purpose' initiatives?

- Almost all Canadian marketers (94%) believe that involvement in 'purpose' marketing should begin at the top level of an organization in that 'purpose' initiatives should include the involvement of the C-Suite.
- There is not a high level of expectation (45%) that employees need to be engaged at the strategic level when planning 'purpose' initiatives.
- It is noted that customers are ranked lowest on involvement expectations both in Canada and globally, yet this is the very stakeholder group that brands are attempting to connect with in their 'purpose' marketing efforts.

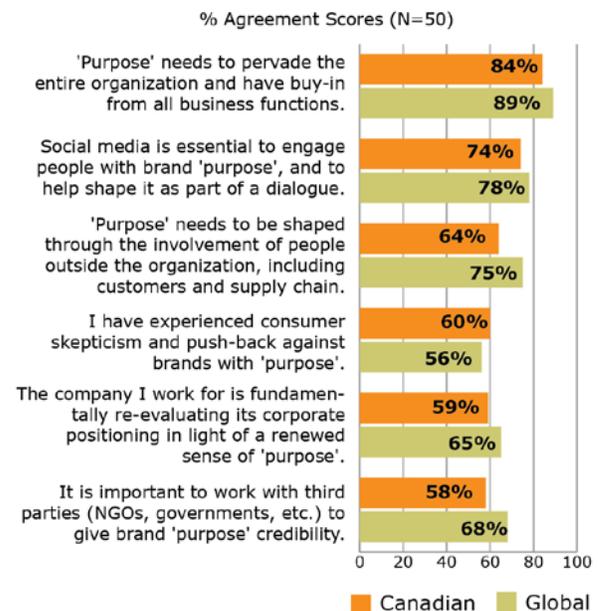
- The global perspective is more moderate on the required involvement of the C-suite, albeit CEOs and CMOs along with Corporate Communications are still the most highly recommended. One major difference is the relatively higher global ranking for involvement by 'all employees'.



Question: Who should be involved in designing and shaping 'purpose'? (Please select all that apply.)
 Note: Global data sourced from WFA 2014 survey.

6. Marketers' perceptions on impact of brand 'purpose' marketing

- Marketers indicated that internal engagement is critical (84%), but involvement from outside the organization is not as necessary (<64%), similar to the global perspective.
- 74% consider social media essential in engaging consumers with brand 'purpose', despite 60% reporting skepticism and push-back to date.
- There is a moderate level (59%) of re-evaluation of corporate positioning in light of a renewed sense of 'purpose'.



Question: On a scale of 1 to 5, where 1 = Strongly disagree and 5 = Strongly agree, please indicate the extent to which you personally agree with the following statements.
 Results are based on weighted averages. Note: Global data sourced from WFA 2014 survey.

7. Canadian ranking of global marketers – with ‘purpose’

Below is the rank order of companies that received top 3 mentions. Fifty per cent of the 24 global companies listed did not receive any mention as one of the top 3 brand ‘purpose’ marketers.

Global Company	% of top 3 mentions (N=50)
Apple	17.8
McDonald's Corporation	15.6
Unilever	15.6
Google	11.1
Proctor & Gamble	11.1
Coca-Cola	6.7
Johnson & Johnson	6.7
Ford Motor Company	4.4
Toyota Motor Corporation	4.4
Danone	2.2
Nestlé	2.2
PepsiCo	2.2

Question: Below is a list of top global marketers. In your opinion, which of these best embraces ‘purpose’?

8. Ranking of Canadian marketers – with ‘purpose’

In response to an open ended question, Tim Hortons is the brand ‘purpose’ marketing leader with a dominant 27% (9 out of 34) of the mentions.



Question: Which company, based locally (a Canadian company or a Canadian division of an international company), would you consider to be a ‘purpose’ leader?

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.
 - Over 95 senior Canadian marketers are registered to date.
- **January 2014 survey respondents**
 - 52 (84% English, 16% French)
- **Field dates**
 - January 6 – January 31, 2014
- **Methodology**
 - Survey questions developed by ACA and World Federation of Advertisers (WFA)
 - 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 the only national association exclusively dedicated to serving the interest of companies that market and advertise their products and services in Canada. The ACA is the premier Canadian marketing association, with an unparalleled track record in driving marketing success for our members. For more information visit ACAweb.ca.

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