



MARKETER'S PULSE

EXECUTIVE SUMMARY

The Marketer's Pulse panel has tracked three key indicators since February 2012. Results of the April/May 2014 survey indicate an optimistic outlook for business expectations to the highest level ever reported. However, this level of optimism is *not* reflected in perspectives of consumer confidence and MarCom budget changes.

This report provides a special focus on media transparency which has been receiving much attention in the U.S. and abroad. Media transparency can impact marketers' top priorities of maximizing MarCom ROI and improving digital marketing efforts, for without it ROI metrics become muddled and digital online advertising dollars can be wasted.

The following summarizes the Canadian perspective. Overall, results indicate that **media transparency is of considerable concern, and marketers realize there is much they need to understand about the issues.**

- Media transparency is considered important by marketers, with an average importance rating of almost 8 out of 10. Areas of primary concern centre on their inability to see into the digital eco-system to confirm where their digital online ad dollars are going both in placement and fees.
- Agency Volume Bonuses (AVB's) are deals that typically take the form of cash rebates offered by media owners to incent media buyers to spend more on their properties. Surprisingly, while half of marketers are aware of this practice in Canada even fewer (13.5%) receive a portion of AVBs from their media agency.
- Arbitrage is the process of buying something for one price and immediately reselling it at a higher price, thereby realizing a financial gain in the process. Almost three-quarters of marketers do not know if their agency trading desks practice arbitrage.
- Marketers were asked what they believe is the biggest barrier to creating or maintaining an optimal level of transparency with their media agency. Overwhelmingly, they stated that they do not know enough about the issue to know what questions to ask.

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

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

Thank you to the panelists 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.

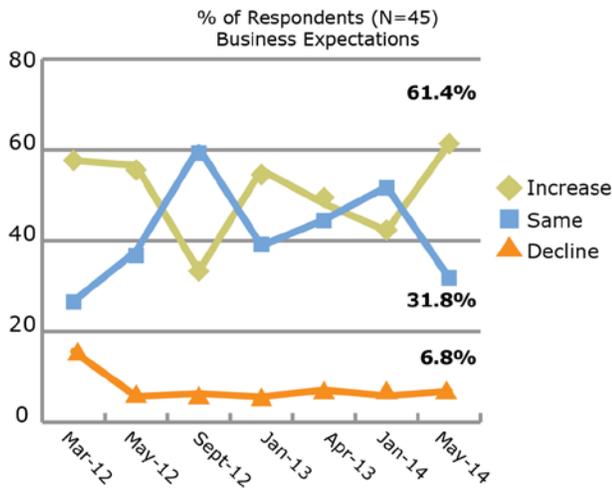


DETAILED RESULTS

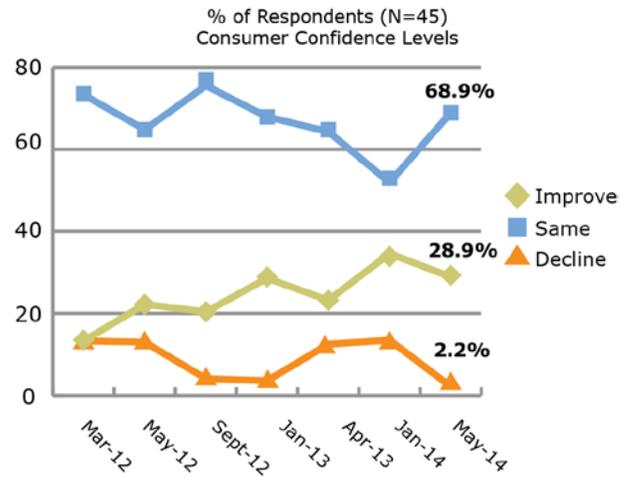
The Marketer's Pulse panel has reported on three key indicators in seven of the surveys undertaken since February 2012. The results provide a trend line for business expectations, perspectives on their consumer confidence levels and anticipated changes in MarCom budgets.

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

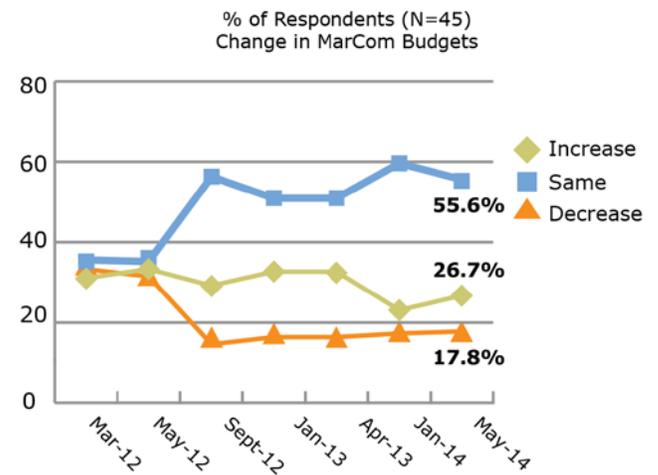
There has been an upsurge in business outlook to the highest level of increased business expectations ever reported. However, this level of optimism is *not* reflected in perspectives of consumer confidence and MarCom budget changes.



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



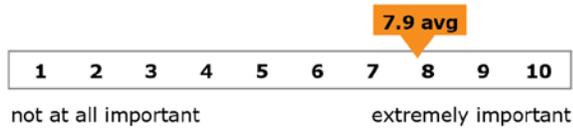
Question: Over the next 6 months I expect my consumers' confidence level will: Improve, Stay the same or Decline.



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

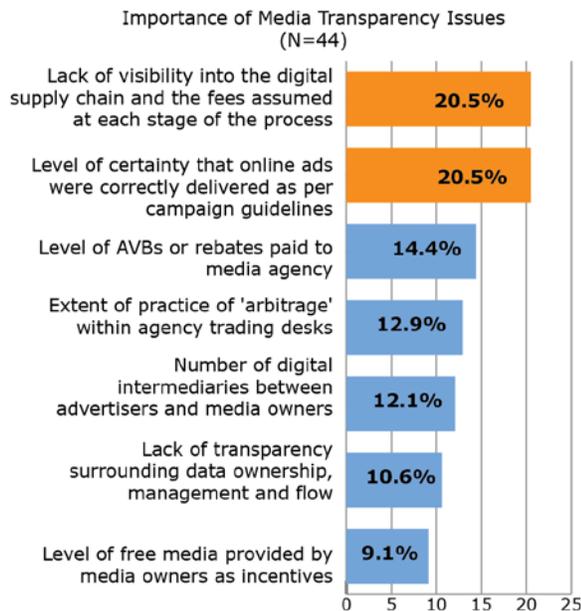
2. Media Transparency

Media transparency is on the Canadian marketer's radar screen. Over two-thirds of respondents reported media transparency importance at 8 points or more on a 10 point scale. The average importance rating was 7.9 out of 10.



Question: On a scale of 1-10 how important is the issue of media transparency to you?

Top media transparency issues relate to the inability to see into the digital eco-system to confirm where one's digital online ad dollars are going, both in fees and placement.

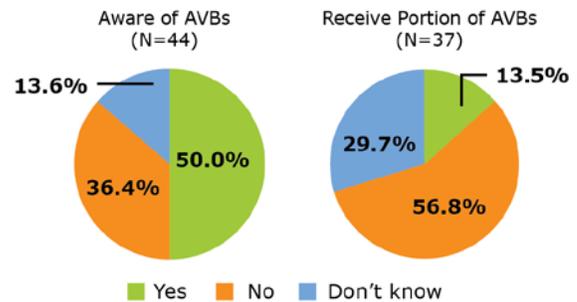


Question: Which of the following media transparency issues do you consider to be most critical? (Pick top 3 choices)

3. Agency Volume Bonuses (AVBs)

Agency volume bonuses (AVBs) are deals that typically take the form of cash rebates offered by media owners to incent media buyers to spend more on their properties.

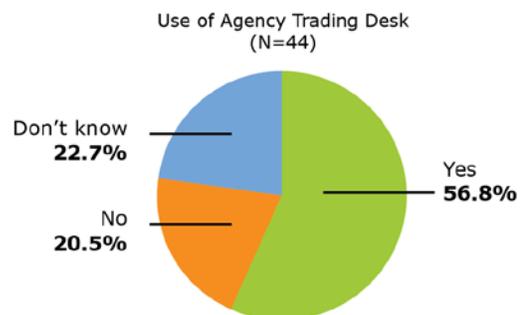
Surprisingly, while half of marketers are aware of this practice in Canada even fewer (13.5%) receive a portion of AVBs from their media agency.



Question: Agency volume bonuses (AVBs) are deals that typically take the form of cash rebates offered by media owners to incent media buyers to spend more on their properties. Are you aware of this practice in Canada? Do you receive any portion of the AVBs from your media agency?

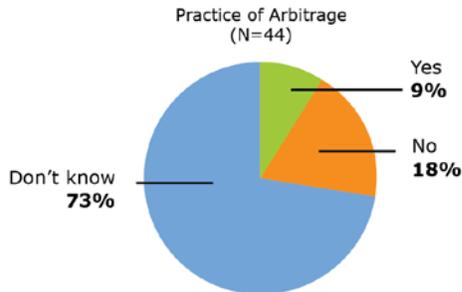
4. Agency Trading Desks and Arbitrage

While the majority (56.8%) of marketers report that their online digital advertising goes through an agency trading desk, more than one in 5 are not aware if an agency trading desk is used or not.



Question: Does any of your digital online advertising go through an agency trading desk?

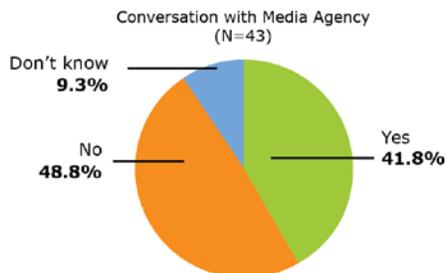
Arbitrage is the process of buying something for one price and immediately reselling it at a higher price, thereby realizing a financial gain in the process. Almost three-quarters of marketers do not know if their agency trading desks practice arbitrage.



Question: Does your agency trading desk practice 'arbitrage' during the digital online media buying process?

5. Seeking Media Transparency With Your Media Agency

Almost half of the respondents have **not** had a conversation with their media agency regarding issues of media transparency.



Question: Have you or has someone in your organization had any discussions with your media agency regarding the issue of media transparency?

Marketers were asked what they believe to be the biggest barrier to creating or maintaining an optimal level of transparency with their media agency. Overwhelmingly, they stated that they do not know enough about the issue to know what questions to ask.

Other barriers cited include limited communication regarding agencies' financial needs, and concerns that agencies are not

ABOUT ACA Marketer's Pulse

pro-active in seeking transparency from their suppliers.

ACA seeks input from senior Canadian marketers to provide valuable insights into marketing dynamics. The ACA Marketer's Pulse panel shares what they are thinking, planning and experiencing at their workplaces, and with their suppliers 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 90 marketers are registered to date.
- April/May 2014 survey respondents
 - 45 (89% English, 11% French)
- Field dates
 - April 22 – May 21, 2014
- Methodology
 - Survey questions developed by ACA
 - 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 marketer's only independent voice in Canada. We maximize marketing communication and brand ROI by advocating for marketers' interests, driving transparency and accountability, providing insight and best practices, and facilitating professional development and networking. For more information, visit ACAweb.ca.

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