

INSIGHTS INTO THE CURRENT STATE OF MARKETING PROCUREMENT

What Companies Want, Need, and Struggle with
in Their Strategic Partnerships

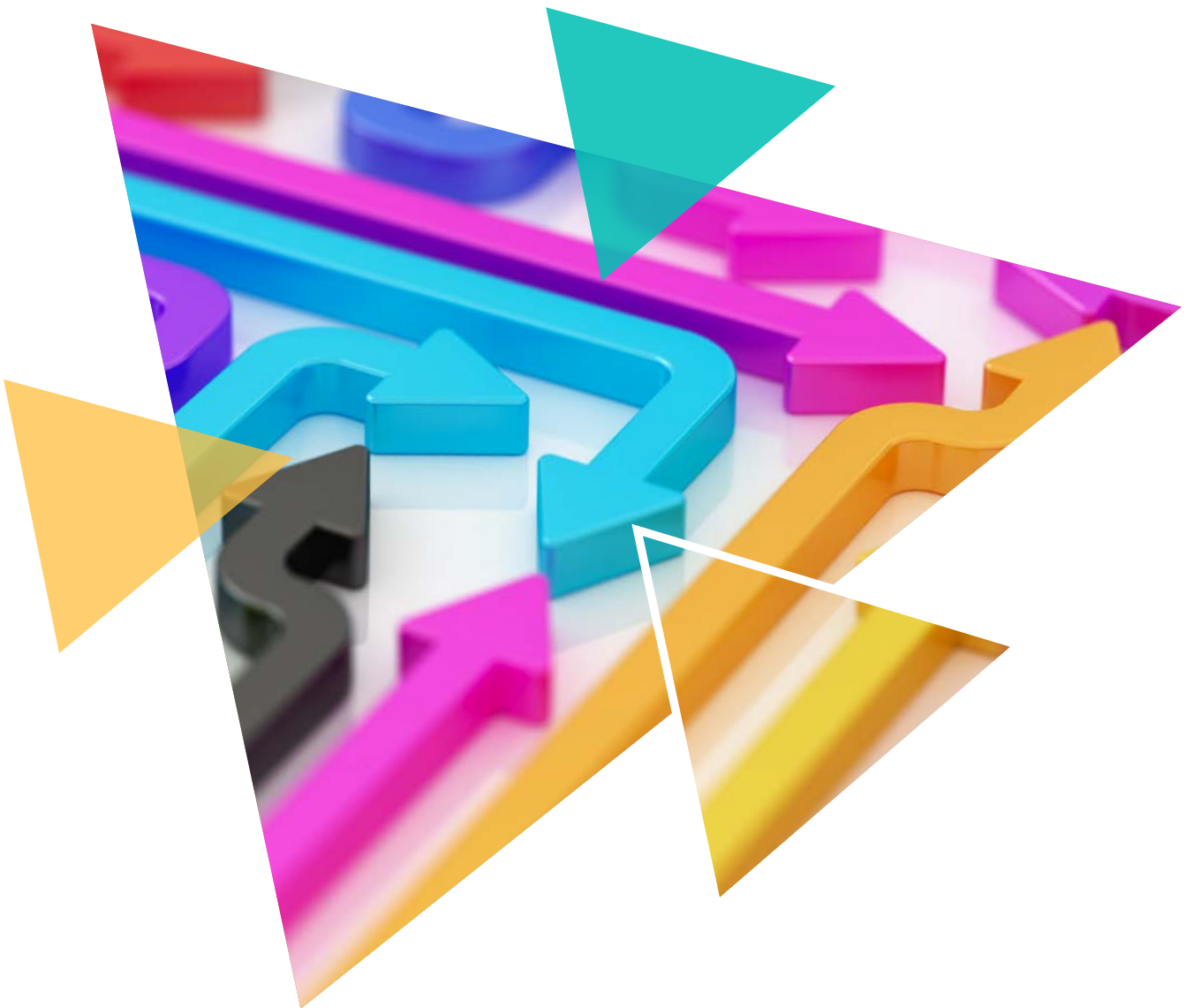




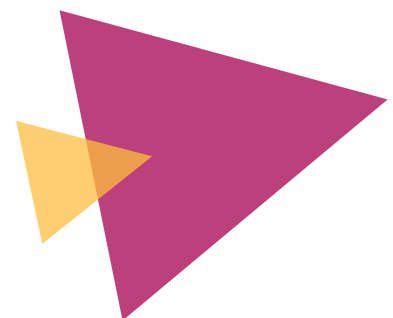
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EXECUTIVE SUMMARY

Businesses rely on strategic partnerships with agencies and creative development companies to power their branding efforts and earn market share. While in-house marketing operations are common, most companies can improve their strategies by accessing key capabilities from agencies. Solutions like creative management, branding, design, and even compliance are all services today's agencies can provide.

This report examines the current state of marketing procurement, providing an in-depth look at what companies need in their strategic partnerships. It explores insights from marketing, digital, and procurement leaders within a variety of business types. Finally, the report reveals where some organizations struggle when working with external partners and how they hope to evolve their brands in the future.

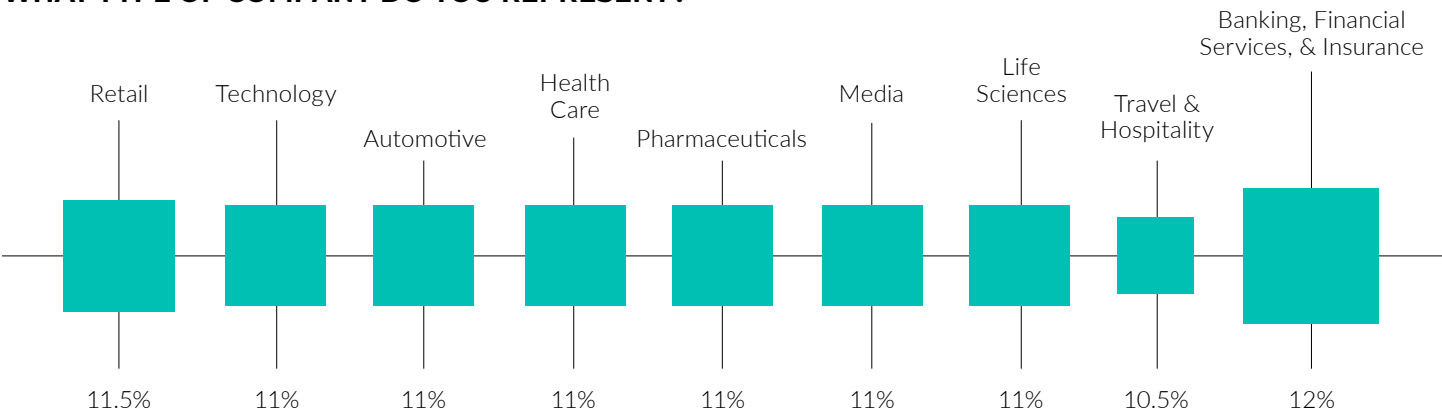


ABOUT THE RESPONDENTS

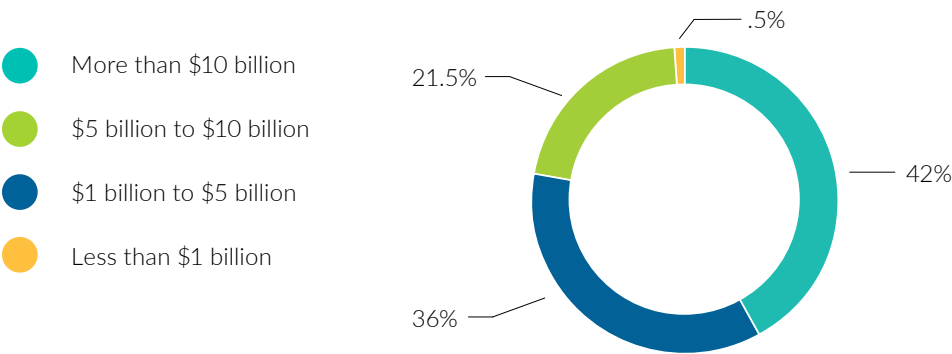
The WBR Insights research team surveyed 200 leaders from companies across the U.S. and Canada to generate the results featured in this report.

The respondents represent a variety of company types, including retail (11.5%), technology (11%), automotive (11%), healthcare (11%), and pharmaceuticals (11%), among others.

WHAT TYPE OF COMPANY DO YOU REPRESENT?



WHAT IS YOUR COMPANY'S ANNUAL REVENUE?

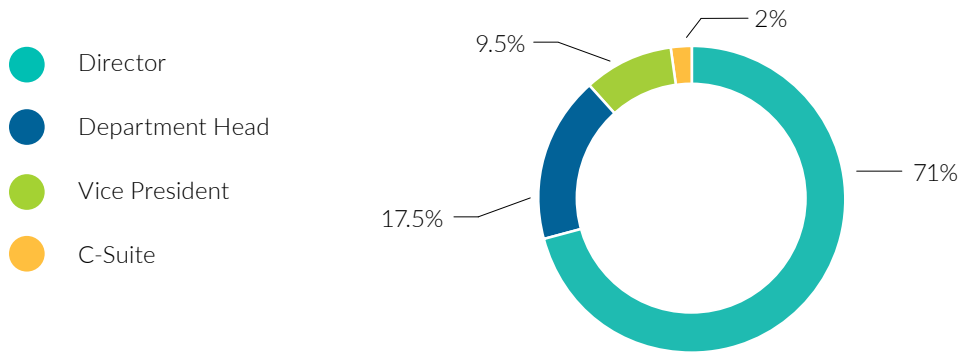


The companies represented in the study vary by size, as measured by annual revenue, with 42% making more than \$10 billion each year.



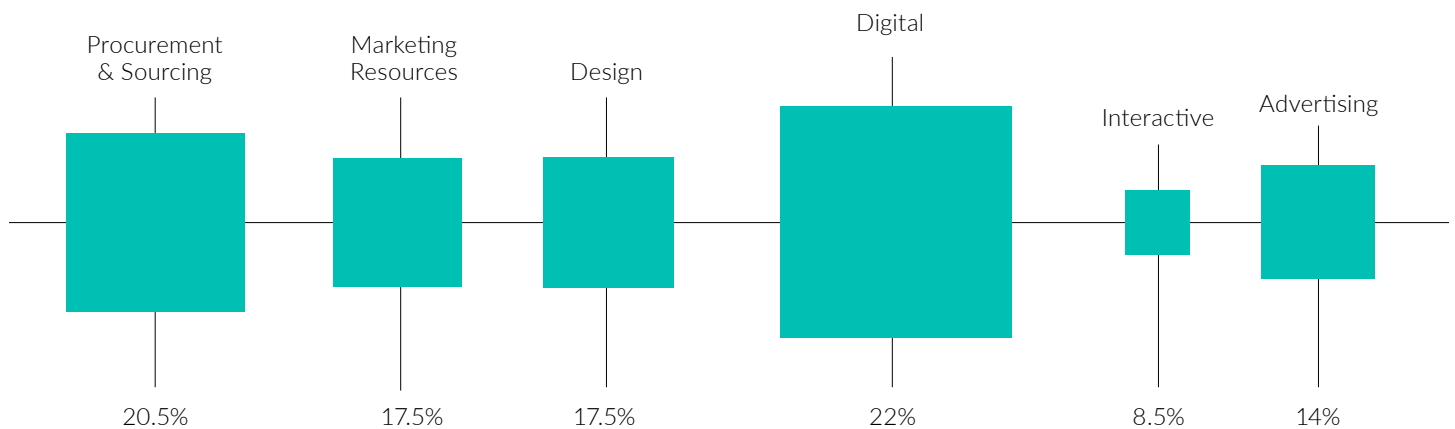


WHAT IS YOUR SENIORITY?



The respondents are directors (71%), department heads (17.5%), vice presidents (9.5%), and C-level executives (2%).

WHAT IS YOUR ROLE?



The respondents occupy roles in procurement and sourcing (20.5%), marketing resources (17%), design (17.5%), digital (22%), interactive (8.5%), and advertising (14%).

KEY INSIGHTS

Among the respondents:

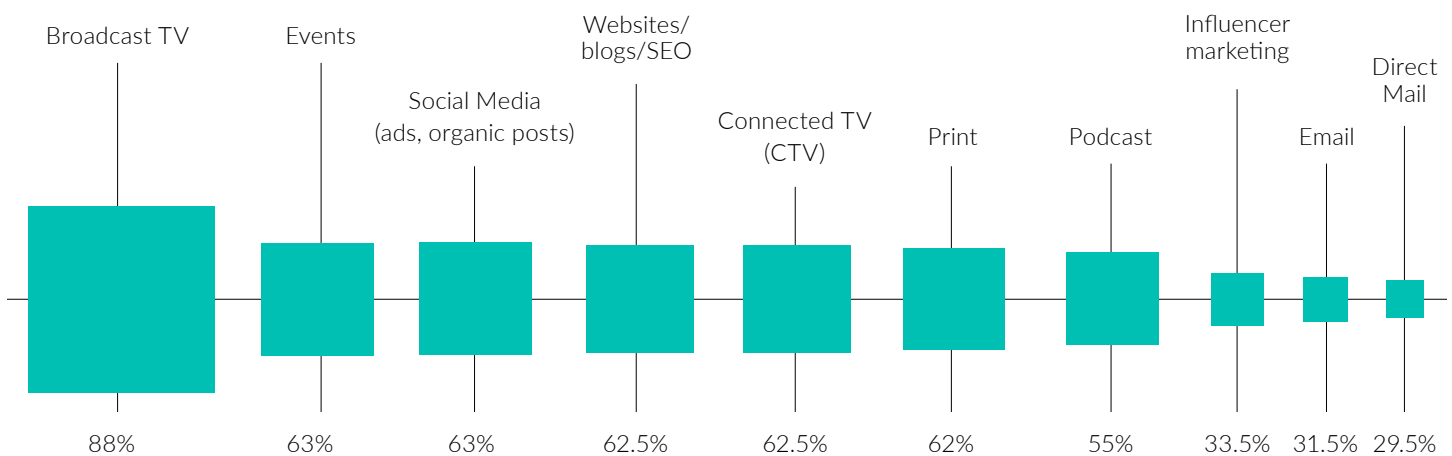
- 01 Their primary marketing or brand channels are broadcast TV (88%); events (63%); social media, such as ads and organic posts (63%); websites, blogs, and SEO (62.5%); connected TV (62.5%), print (62%), and podcasts (55%).
- 02 77% have a dedicated in-house creative team to support their business in marketing and sales, but 17.5% have a dedicated team that includes both in-house members and members at a strategic partner or agency.
- 03 51% say interactive capabilities are a priority but they struggle with it at least somewhat.
- 04 77.5% say they have not worked with a strategic partner or agency recently, with 17.5% saying high costs are among the pain points they have struggled with most while working with one.
- 05 Most are very interested in agency capabilities like content management (68%), cross-channel targeted and localized marketing (64%), proprietary page-building (61%), extended access to talent (59.5%), creative augmentation (57.5%), and branding and positioning (56%).
- 06 Over one-quarter have either already engaged in agency consolidation (20%) or are interested in it (14.5%).
- 07 74% say they are currently satisfied with their brand. However, 23% claim they are still in the process of establishing their brand.
 - Among only those respondents who are going through brand changes, 58.5% say a lack of consistency in their content and 50.9% say an inability to translate company values into deliverables are pain points.
- 08 75.5% are interested in creative strategy and management, while 63% are interested in logo and identity design as branding capabilities from agencies.
- 09 68.5% say improving the user or customer experience is the biggest challenge they face from a marketing perspective.
- 10 57.5% describe their organizations as dynamic and growth-oriented, while 56.5% say their products and services are constantly evolving.
- 11 The most common challenges of working with strategic partners or agencies are adhering to their marketing budget (53.5%) and determining what their marketing budget should be for each partner or capability (49%).
- 12 Most are interested in capabilities like AI-driven compliance (85.5%), remediation and accessibility (71%), image retouching (64%), and collateral design (58.5%) from a strategic partner.



MARKETERS ARE CONFIDENT BUT STRUGGLE WITH DIGITAL CONTENT AND PERSONALIZATION

Marketers need an effective approach to creative production and personalization that can be leveraged across all their channels. Each marketing effort must be branded accordingly and synchronized to maintain brand consistency. Many leading brands are already mastering omnichannel marketing, but most marketers still face challenges, especially over digital channels.

WHICH OF THE FOLLOWING ARE YOUR PRIMARY MARKETING OR BRAND CHANNELS?

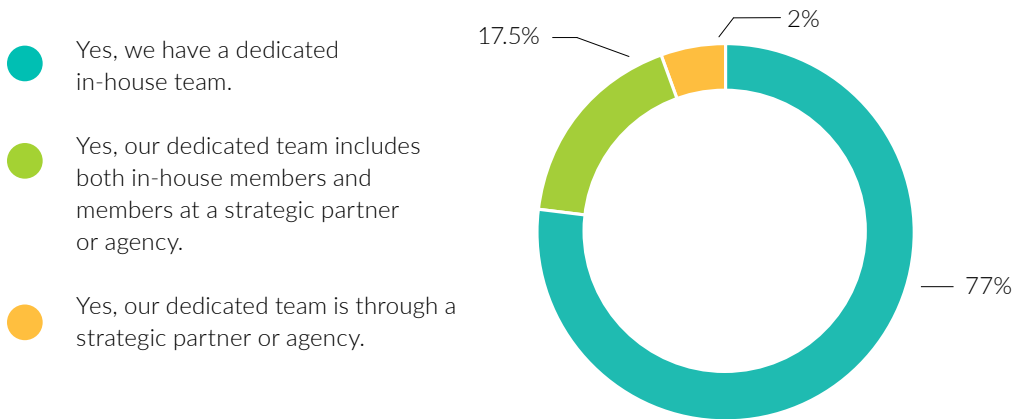


At 88%, most of the respondents list broadcast TV as a primary marketing or brand channel. Despite a significant increase in digital engagement and streaming services, broadcast television still serves as an essential marketing channel for a variety of industries, including retail.

Most of the respondents also list events (63%), social media (63%), websites (62.5%), connected TV (62.5%), and print (62%) as primary marketing channels.



DO YOU HAVE A DEDICATED CREATIVE TEAM TO SUPPORT YOUR BUSINESS IN MARKETING AND SALES?



To engage customers across these channels, most of the respondents (77%) have a dedicated in-house creative team. These teams can support their business in both marketing and sales. The remaining either use a combination of in-house and third-party creative teams (17.5%) or rely entirely on a strategic partner (5.5%) for their creative capabilities.

Businesses need a robust set of applications, technologies, and skillsets to successfully engage customers. While some companies can develop in-house engagement capabilities that deliver results, many still struggle with distinct challenges in their customer engagement strategies, turning to agencies and other partners to supplement their efforts.

Researchers asked the respondents to describe the customer engagement challenge or challenges they struggle with most. Many of the respondents agree that personalization is still difficult to achieve for every customer. This challenge arises from a variety of factors, but mostly from issues associated with data and building accurate customer profiles.

"Achieving accuracy in customer profiles based on the data available for engagement purposes has been a challenge," says a director of procurement and sourcing from an automotive company.

"We have been struggling with creating singular customer views, which is so instrumental in customer engagement," says a digital department head from a financial services company.

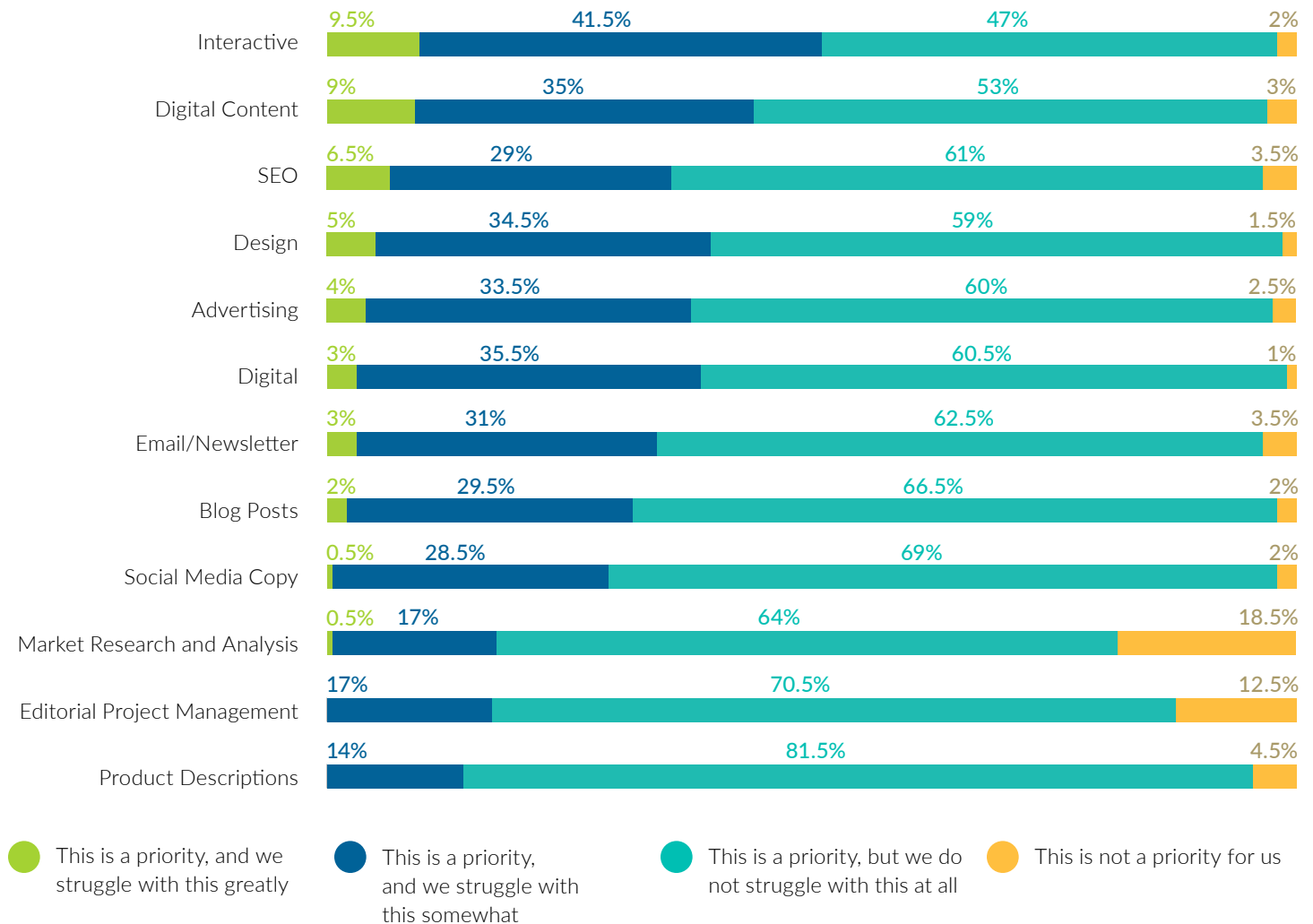
The respondents also identify data analysis as a key challenge. For example, one director of marketing resources at a technology company says, "Real-time analysis is still fractionally slower in providing personalization benefits."

Other respondents say their biggest challenge lies in "innovation" and "creating unique content." They say it is difficult to hold customers' attention with meaningful content and interactions.

"It's the customers' listening and engaging capabilities that challenge us the most in this process," says a design director from a media company. "It's challenging to get sustained attention from them in the engagement process."



TO WHAT DEGREE DO YOU STRUGGLE WITH THE FOLLOWING CAPABILITIES IN YOUR MARKETING EFFORTS?



Many of these respondents could benefit from new capabilities, particularly surrounding data. But the responses also indicate a need for more creativity within the marketing department. Both are capabilities agencies could provide, among others.

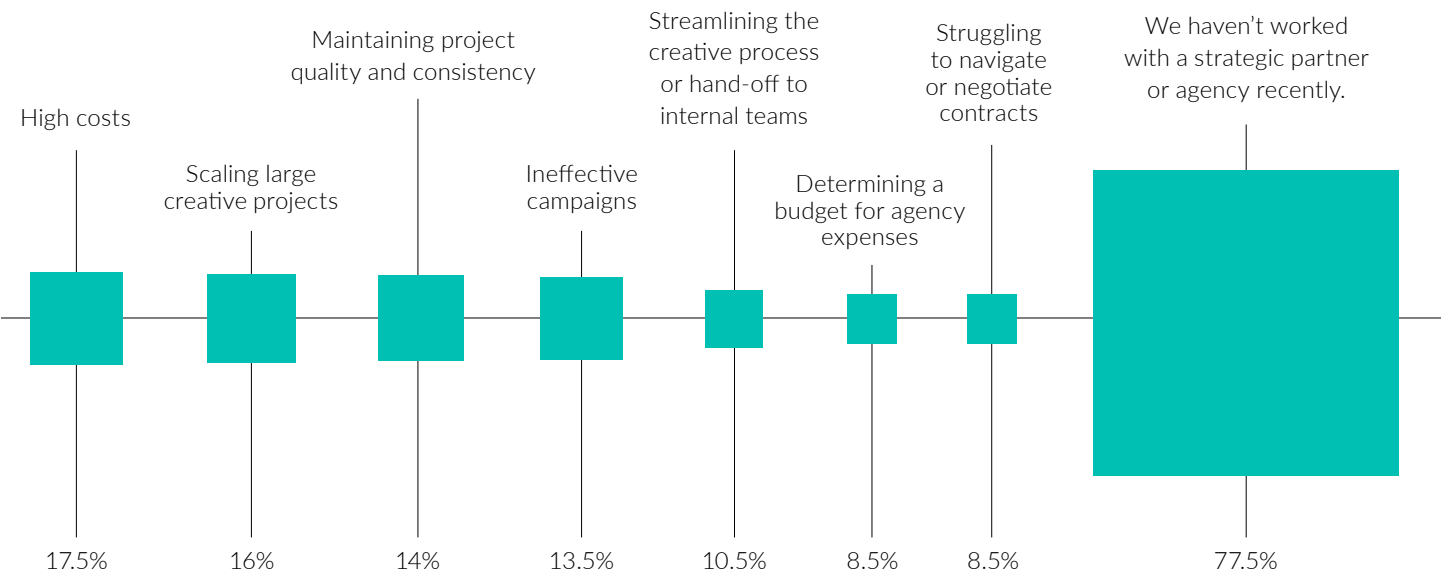
Most of the respondents say they prioritize, but don't struggle with, capabilities like product descriptions, editorial project management, marketing research and analysis, and social media copy. Likely, many of the respondents take care of these responsibilities in-house.

However, there are some marketing capabilities that significant portions of the respondent struggle with. At a total of 51%, most of the respondents struggle at least somewhat with interactive capabilities. Interactive marketing capabilities can be challenging for brands that don't have the technology platforms or the understanding of customer behavior they need.

Similarly, a significant number of respondents struggle with digital content—35% struggle with it somewhat and 9% struggle with it greatly. Digital content encompasses a wide range of marketing disciplines, including content production, design, channel optimization, and branding.

To augment and improve these efforts, brands can turn to agencies and strategic partners. Although many companies work with boutique-style agencies that offer specific capabilities, some agencies can provide a full spectrum of marketing, branding, and strategic services.

WITH WHICH OF THE FOLLOWING PAIN POINTS HAVE YOU STRUGGLED RECENTLY WHILE WORKING WITH A STRATEGIC PARTNER OR AGENCY?



Currently, 77.5% of the respondents haven't worked with a strategic partner or agency recently. Those respondents who have, say they have experienced some significant pain points.

Specifically, 17.5% have experienced high costs, 16% have struggled to scale large creative projects, and 14% have struggled to maintain project quality and consistency.

These challenges can arise because agencies operate with different pricing structures and cost models, making it difficult to manage costs across agency partners. Scaling projects can also be difficult when the project must span multiple agencies. Those partners need to be able to communicate with each other, or the company itself must act as a gatekeeper, passing projects from one partner to another.

As we will learn, there are steps companies can take to consolidate these processes and reduce the complexity of their agency partnerships.

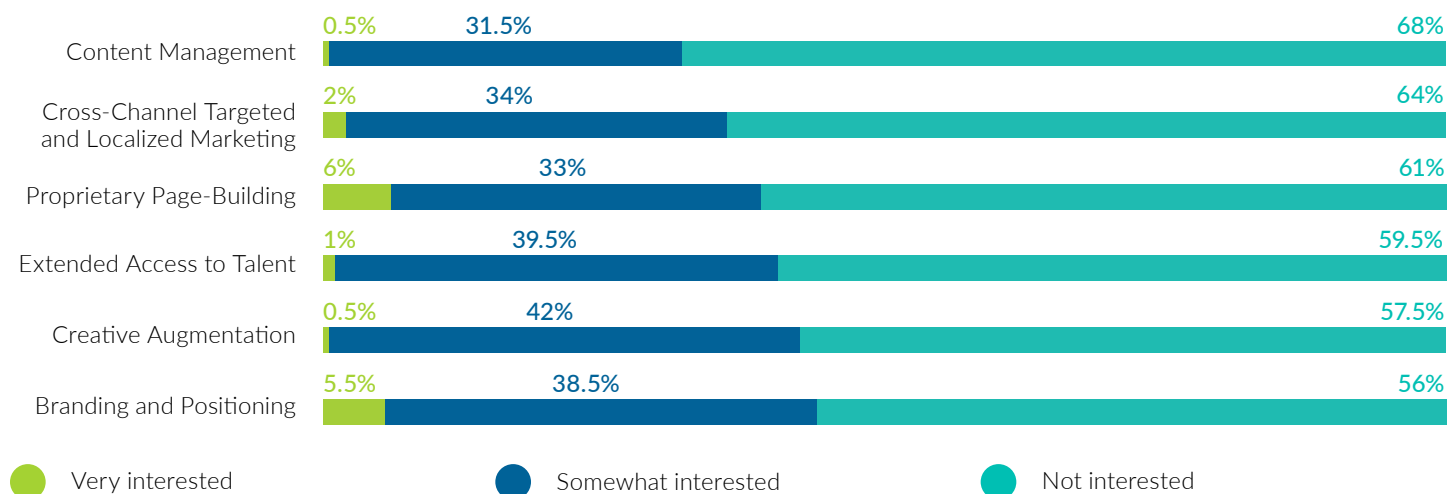
AGENCIES CAN OFFER CRITICAL MARKETING MANAGEMENT CAPABILITIES



Agencies can be critical to a company's marketing efforts as they often possess the expertise and experience necessary to produce successful campaigns. By making use of an agency's specialist knowledge, companies can identify key opportunities and devise creative strategies that will support their overall marketing objectives.

Agencies can also provide valuable insight on how best to target specific audiences, as well as how to measure the success of any given campaign.

WHICH OF THE FOLLOWING AGENCY CAPABILITIES INTEREST YOU THE MOST, WHETHER YOU WORK WITH A STRATEGIC PARTNER OR AGENCY OR NOT?

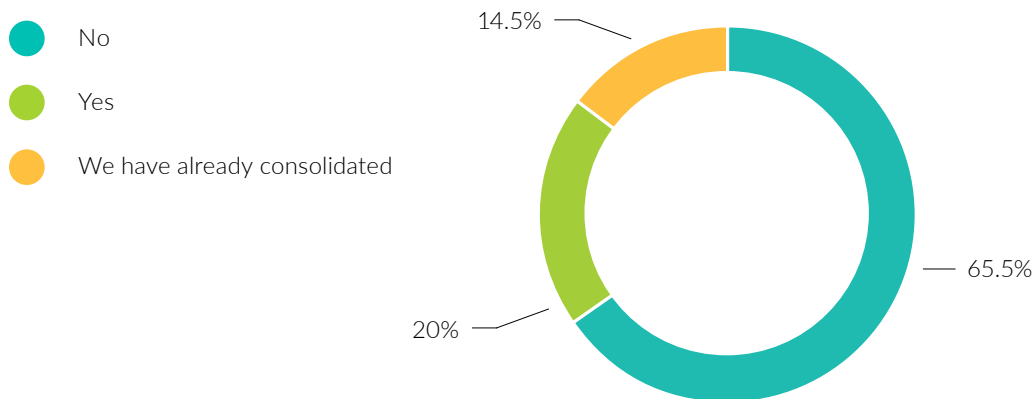


Companies often rely on multiple agencies or strategic partners to augment their internal efforts with key capabilities. These could be agencies devoted specifically to content management, branding, and web design.

For example, 44% of the respondents say they are at least somewhat interested in branding and positioning services from a strategic partner. Similarly, 42.5% say the same about creative augmentation and 40.5% say the same about extended access to talent.

Leveraging multiple partners allows the company to access turnkey capabilities, but it also adds complexity to the marketing process. A single marketing procurement budget must be allocated accordingly among these partners, and it can be difficult to decide how much to invest in each.

ARE YOU INTERESTED IN AGENCY CONSOLIDATION—I.E., REDUCING COMPLEXITY BY CONSOLIDATING OUTSOURCED MARKETING CAPABILITIES TO A SINGLE STRATEGIC PARTNER OR AGENCY?



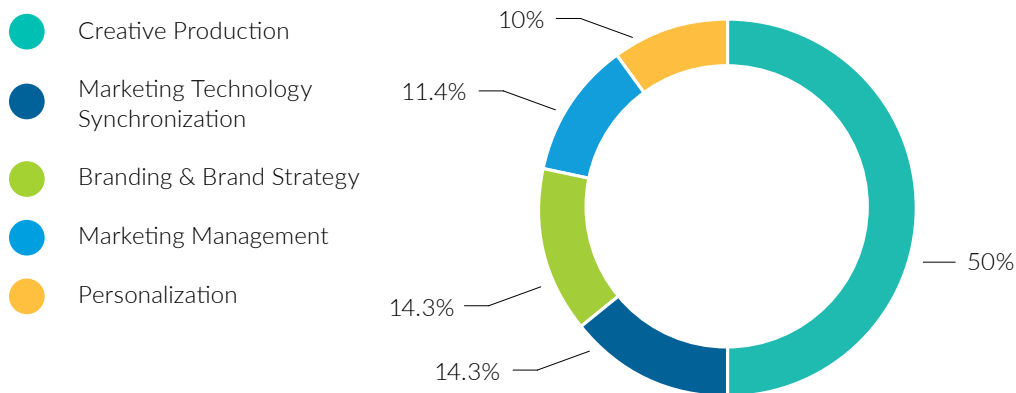
Agency consolidation is a process of reducing that complexity by consolidating outsourced marketing capabilities under a single partner or agency. Instead of relying on multiple partners for individual capabilities, the brand trusts each job to a single partner who can provide those services.

Although 65.5% of the respondents say they aren't interested in agency consolidation, one-fifth of the respondents are. Another 14.5% say they have already consolidated either some or all of their marketing capabilities.

Consolidation helps businesses save time, money, and resources by streamlining processes across different departments and reducing hand-offs between agencies. This can result in reduced costs, increased profits, and better management of resources. By bringing different perspectives together from multiple agencies into one cohesive team, companies can also benefit from increased innovation and creativity.



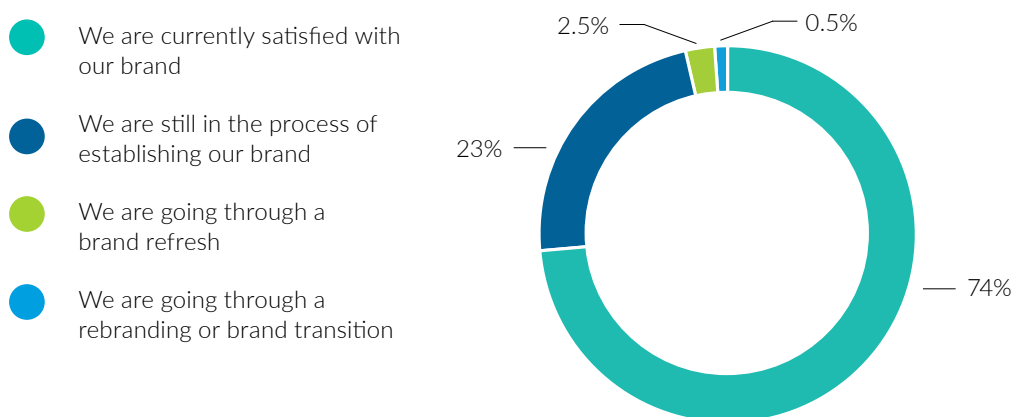
SINCE YOU SAID YES, OR YOU HAVE ALREADY CONSOLIDATED, WHICH OF THE FOLLOWING MARKETING CAPABILITIES HAVE YOU CONSOLIDATED OR WOULD YOU MOST LIKE TO CONSOLIDATE?



Among those respondents who have consolidated or are interested in doing so, 50% say they have or would consolidate creative production under a single partner. Portions of these respondents say they have consolidated or would consolidate marketing technology synchronization (14.3%), brand strategy (14.3%), and marketing management (11.4%) as well.

Some companies choose to consolidate their agencies during times of internal change, such as when they are in the process of rebranding.

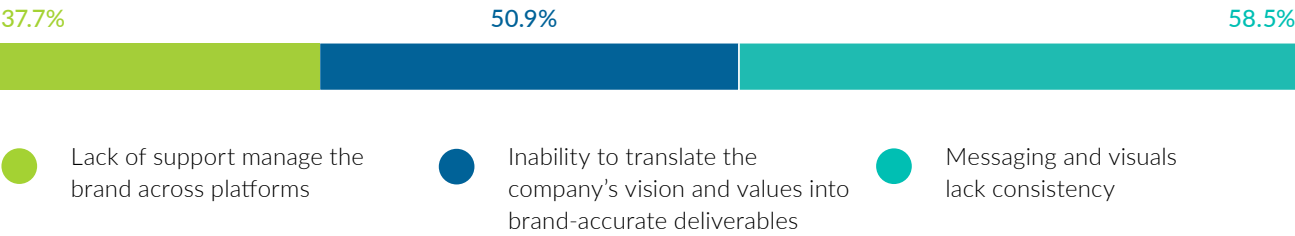
HOW WOULD YOU DESCRIBE YOUR BRANDING STATUS?



At 74%, most of the respondents are currently satisfied with their brand and aren't going through the process of making any brand changes. This result aligns closely with the number of respondents who say they aren't consolidating their agencies or have already consolidated them.

However, more than one-quarter of the respondents are currently making brand changes, including 23% who are still establishing their brand and 2.5% who are going through a brand refresh.

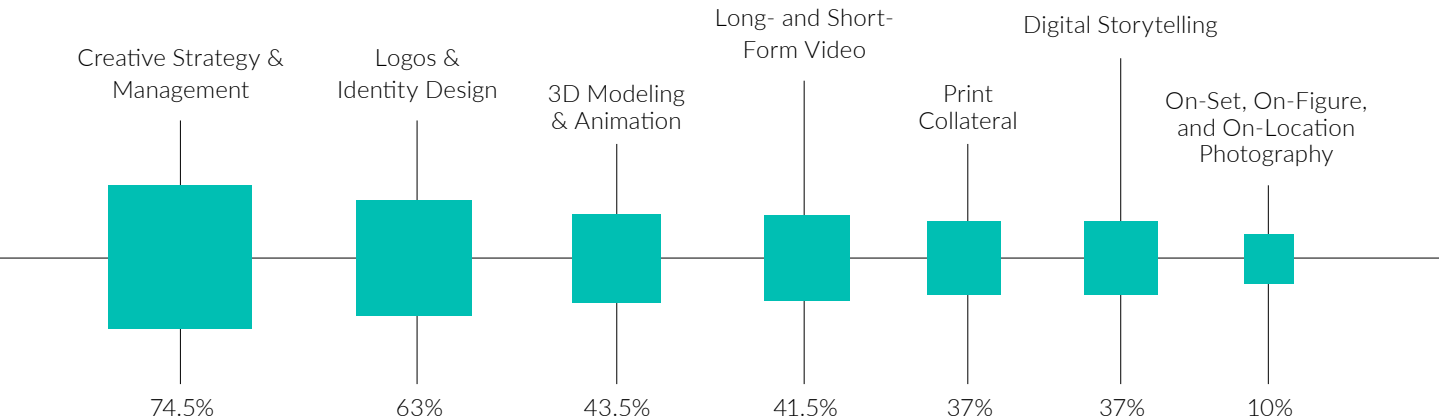
SINCE YOU ARE GOING THROUGH BRAND CHANGES, WHICH OF THE FOLLOWING BRANDING PAIN POINTS HAVE YOU EXPERIENCED DURING THE PROCESS?



Those respondents who are going through brand changes have also experienced specific pain points during their process. For example, most of these respondents have found that their messaging and visuals lack consistency (58.5%) and that they've struggled to initially translate their company's vision and values into brand-accurate deliverables (50.9%).

Even among those respondents who aren't currently going through brand changes, it can be important to keep brand experts on hand for the launch of new brands or advertising campaigns.

WHICH OF THE FOLLOWING BRANDING CAPABILITIES INTEREST YOU, ASSUMING YOU WERE TO USE A STRATEGIC PARTNER OR AGENCY TO HELP WITH A BRANDING INITIATIVE?



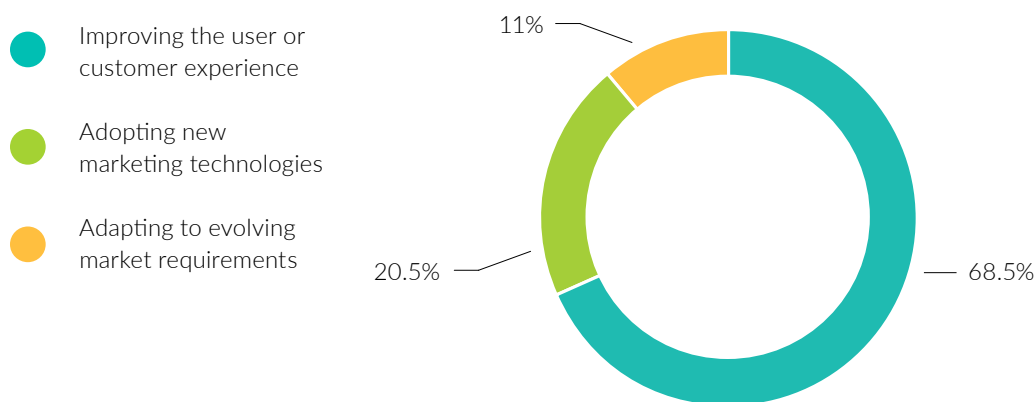
Most of the respondents say they would be interested in branding capabilities like creative strategy and management (74.5%) as well as logo and identity design (63%) in a strategic partnership. Significant portions of the respondents would also be interested in 3D modeling and animation (43.5%) as well as long- and short-form video production (41.5%).

UX AND BUDGET ISSUES ARE COMPANIES' LARGEST MARKETING CHALLENGES



Both B2B and B2C businesses are now selling in an omnichannel environment, and that environment is constantly changing due to economic forces, shifts in customer behavior, and further digitization. Companies must stay innovative in their approach to marketing, but they must also address key challenges that arise as they transform how they market and sell.

WHICH OF THE FOLLOWING IS THE BIGGEST CHALLENGE YOUR BUSINESS CURRENTLY FACES FROM A MARKETING PERSPECTIVE?



Most companies face marketing challenges, but recent advances in omnichannel engagement and digital marketing have placed a larger emphasis on the user experience. Currently, 68.5% of the respondents say improving the user or customer experience is the biggest marketing challenge their businesses currently face. More than one-fifth (20.5%) say adopting new marketing technologies is their biggest challenge.

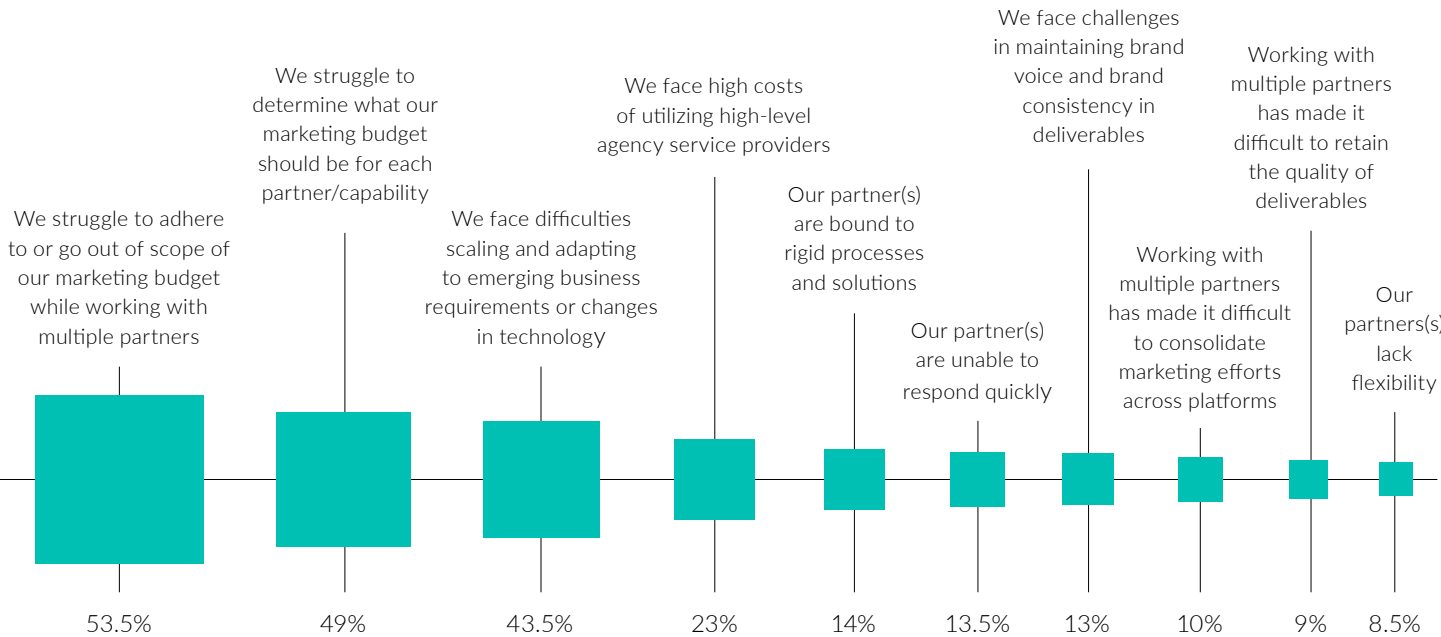
WHICH OF THE FOLLOWING CHARACTERISTICS BEST DESCRIBE YOUR ORGANIZATION?



- Experiencing emerging business requirements due to changing consumer behavior
- Marketing team has limited in-house capabilities to grow and scale creative projects
- Relies on multichannel marketing tactics to reach customers
- Products and services are constantly evolving
- Dynamic, growth-oriented organization

Nonetheless, companies typically partner with agencies when they are on a growth trajectory, and they are ready to spend on marketing. Most of the respondents (57.5%) say their companies are dynamic, growth-oriented organizations. Most of the respondents (56.5%) also say their companies' products and services are constantly evolving. Both statements describe organizations that need significant marketing capabilities.

WHICH OF THE FOLLOWING DESCRIBE SOME OF YOUR ORGANIZATION'S CURRENT CHALLENGES IN WORKING WITH STRATEGIC PARTNERS OR AGENCIES?

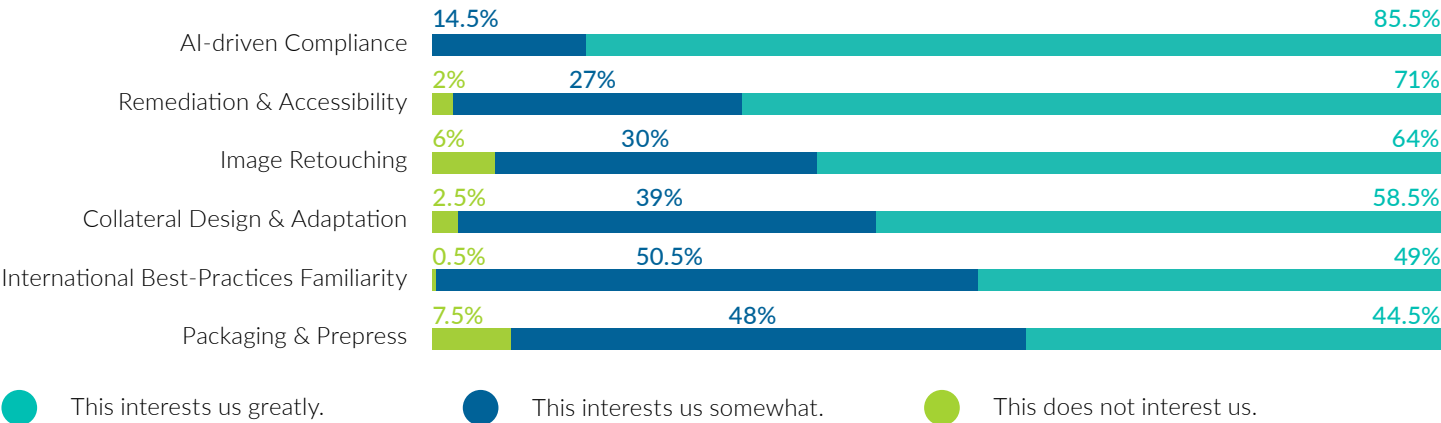


Agencies and other third-party service providers have made significant strides in their ability to serve clients. However, business customers still struggle in some aspects of their agency relationships, and some of these challenges have existed for years.

Specifically, 53.5% of the respondents say they struggle to adhere to or go out of scope of their marketing budgets while working with multiple partners. Managing a marketing budget is challenging enough. Managing multiple agencies adds even more complexity, as the business must allot the right funds to the capabilities they need. Some companies could reign in these costs by consolidating all their marketing capabilities under a single agency or partner.

Similarly, 49% of the respondents say they struggle to determine their marketing budget for each partner or capability. Again, partnering with a single provider to cover the entire marketing spectrum could simplify budgeting measures as they relate to each capability, from branding to ad-buying and content creation.

WHICH OF THE FOLLOWING BUSINESS CAPABILITIES INTEREST YOU THE MOST IN A STRATEGIC PARTNER OR AGENCY?



Strategic partners like agencies can provide a wide range of marketing capabilities, but most agencies specialize in only one or a few. Today's companies need to leverage their strategic partners for a wide range of business solutions. These include marketing-adjacent capabilities like image retouching, but also expertise in areas like compliance.

For example, most of the respondents (85.5%) say they are greatly interested in what strategic partners can offer in terms of AI-driven compliance. Most are also greatly interested in capabilities like remediation and accessibility (71%), image retouching (64%), and collateral design and adaptation (58.5%).

Companies are increasingly relying on strategic partners and agencies because of the advantages these relationships can bring. Partnerships offer companies access to resources and expertise that they would not be able to resource or afford alone, meaning they can access new technologies and capabilities quickly and cost-effectively.

Although many companies still rely on in-house marketing teams, they could be differentiating themselves at the brand and business process levels by leveraging turnkey solutions from agencies and other partners.

CONCLUSION: EVOLVING THE BRAND

In their final line of questioning, researchers asked the respondents to describe how they would like their brands to evolve in 2023 and beyond. Several respondents reiterate that they are focused on issues like "customer-centricity" and "personalization."

Many of the respondents also say sustainability is becoming an important focus for their brands. Notably, a significant portion of these respondents represent firms in the technology and automotive industries.

"The brand will evolve by adding more sustainable features to the business," says a vice president of procurement and sourcing at an automotive company.

"This year I want to see the brand making a bigger difference in terms of sustainability which it would continue with in the future as well," says a marketing resources director at another automotive firm.

Digitization is likely to play a role in helping companies more efficiently analyze their data, deliver personalization, and become more sustainable. Many of the respondents who say digitization will be the future are from financial, media, and healthcare brands.

One vice president from a financial services firm says they intend to become more "digitally sophisticated."

A design director from a media company says, "I would like the brand to harness the power of digital solutions like AI and machine learning to do better in a highly competitive market."

Pursuing these goals will require organizations to gain complete control of their brands, not only from a marketing perspective but also from a procurement and supply chain perspective. Sustainability, digitization, and a truly personalized, omnichannel customer experience can be difficult to achieve without the right solutions and expertise in place. For many organizations, strategic partnerships with solution providers, agencies, and other suppliers will be pivotal to their success.



KEY SUGGESTIONS

- 01 **Leverage strategic partnerships for a wide range of marketing capabilities.** These partnerships not only provide access to marketing capabilities like branding and ad-buying but also marketing-adjacent capabilities like image retouching and expertise in areas like compliance.
- 02 **Focus on sustainability and personalization.** Many respondents stated that their brands need to evolve to become more customer-centric and personalized. They want their brands to make a bigger difference in terms of sustainability, with many respondents from the technology and automotive industries leading the charge.
- 03 **Use digitization to become more efficient.** Digitization is likely to play a crucial role in helping companies more efficiently analyze their data, deliver personalization, and become more sustainable. Many respondents said that digitization would be the future, especially those from financial, media, and healthcare brands.
- 04 **Gain complete control over the brand.** Pursuing the above goals requires organizations to gain complete control of their brands. Companies that can't successfully manage complex branding and marketing campaigns will struggle to achieve their desired outcomes. Strategic partnerships with solution providers, creative agencies, and other suppliers will be pivotal to their success.



ABOUT THE AUTHORS



With more than three decades of expertise in business communications, marketing solutions, and digital productivity solutions, we successfully help reimagine customer experiences for companies. Our three pillars of Global Brand Solutions, Smart Work Solutions, and Technology & Innovation Services transform the way businesses work for customers, building strong brand loyalty.

Our 8,000 experts in 42 locations work across various industries to co-create a future-ready business landscape. We adopt a consultative approach to digitizing every aspect of the Customer Journey so you can effectively translate a strategic vision of expansion and efficiency into a superior Customer Experience. We help you effectively address customer needs so you can make Customer Experience your competitive differentiator.

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