

Domus™

Client Needs Poll

2nd Edition

Conducted on Domus, Inc.'s Behalf by Harris Poll

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Executive Summary

This year's study found that marketers continued to have unmet needs, with 76% reporting that their current marketing and/or advertising needs are not being met by internal staff or current agencies. The top unmet need in 2015 is building their business with digital marketing simply, which is a continuous theme throughout this study. **While digital has grown significantly in terms of the marketing mix, 68% of marketers report their company as having “digital dysfunction,” defined as the ability to truly understand digital properties, how they interact together and ultimately how to maximize digital results, an increase over 64% reported in 2014.** When asked to rate the ability of the marketing and advertising agency/agencies their company works with in providing relevant, actionable and measurable expert solutions for digital technologies, there was a significant decrease in the rating of excellent/good from 59% in 2014 to 50% in 2015. In addition, the majority of marketers feel only somewhat or not at all knowledgeable about managing and reporting the impact of digital technologies.

Background/Objectives

Domus commissioned Harris Poll to conduct a research study to explore the opinions of U.S. marketing/advertising decision-makers at companies with annual revenue of \$250 million or more in regard to the unmet needs of marketers. The research was intended to identify the challenges and unmet needs of marketing and advertising departments in larger companies.

Specifically, the study was designed to uncover the opinions of advertising and marketing decision-makers regarding:

- The level of importance they ascribe to various qualities of marketing and advertising agencies in general, and how well the agencies they currently work with rate on those qualities
- Areas in which their current marketing and/or advertising needs are not being met internally or through outsourcing
- How well employees at their company understand how the mission and business objectives of the company align with their roles and how the brand image affects the bottom line
- Whether they view the marketing or advertising agencies they currently work with as a business partner or a line item
- Whether they want the agencies they work with to recommend new products, ideas or solutions
- How well their agencies provide effective solutions for digital technologies
- Their utilization of digital marketing and social media

Methodology

This survey was conducted online within the United States by Harris Poll on behalf of Domus, Inc. between January 7-23, 2015, (*Wave 1 conducted in December 9, 2013, and January 10, 2014*) among 152 U.S. full-time employees working at the director level or higher at companies with annual revenue of \$250 million or more who have at least some decision-making responsibilities for marketing and/or advertising at their company. Figures for company size were weighted where necessary to bring them into line with their actual proportions in the population.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error, which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options and post-survey weighting and adjustments. Therefore, Harris Poll avoids the words “margin of error,” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal. Due to rounding, some results may not add to 100%.

Respondents for this survey were selected from among those who have agreed to participate in Harris Poll surveys. The data have been weighted to reflect the composition of U.S. companies with \$500 million annual revenue or more. Because the sample is based on those who agreed to participate in the Harris Poll panel, no estimates of theoretical sampling error can be calculated.



These statements conform to the principles of disclosure of the National Council on Public Polls.

In this report, the term “marketing/advertising decision-makers” will be used in the report to refer to U.S. full-time employees working at the director level or higher at companies with annual revenue of \$250 million or more who have at least some decision-making responsibilities for marketing and/or advertising at their company.

Overview of Key Findings

While marketing/advertising decision-makers consider many different qualities to be important in the agencies they work with, three qualities top the list: understanding the client's business objectives; being aligned with these business objectives; and constantly thinking about the client's needs. These priorities remain essentially the same as last year, with a slightly different sequence and with a greater emphasis on contributing to the client's overall business strategy and recommending new products, ideas and solutions.

Similar to 2014, a majority of these professionals give more positive than negative marks to the agencies they work with, in particular for contributing to their company's overall business strategy and thinking about their company's needs. That said, nearly 1 in 2 rate their agencies either fairly or poorly for many of the more initiative-taking measures, like: proactively delivering new ideas to grow/improve their business; recommending new products, services or solutions to create new sources of revenue; providing ideas and solutions that go beyond advertising and marketing; and identifying and recommending marketing/revenue-generating initiatives that help drive business. Moreover, a clear majority (72%) wish – even more strongly than last year – that their agencies would recommend new products, ideas or solutions to create new sources of revenue.

There is only a slight leaning toward “business partner” among decision-makers on whether the agencies they work with act more as a business partner equally committed to the success of their companies (50%) or more as a line item or business expense (40%). And more than 3 in 4 advertising/marketing professionals (76%) can identify at least one unmet need either by their internal staff or current agencies, **with the most common shortfalls (different than 2014) being the capitalization of opportunities in big data** and the identification of new revenue streams.

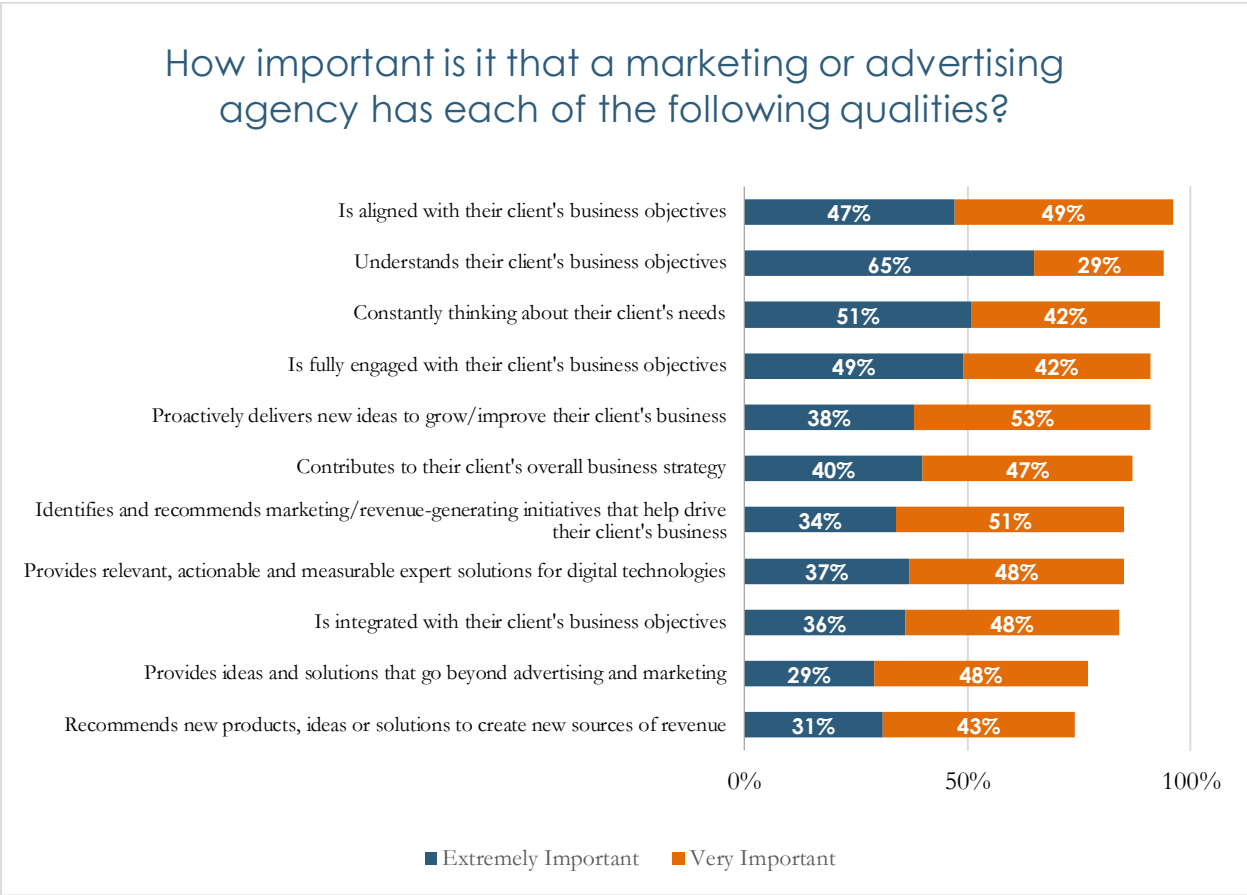
However, when thinking about their internal staff specifically, a large majority of marketing/advertising decision-makers agree that their company's employees understand how both the corporate brand and the mission impact the bottom line, as well as understand how their own roles align with their company's business objectives.

With respect to the digital and social media space, nearly 4 in 5 marketing/advertising decision-makers believe that their company needs to achieve more with their digital marketing, including increasing ROI from social media. Most say that there is “digital dysfunction” at their company (such as uncertainty about how to best integrate digital strategies into the marketing mix) and that their company needs better methods to measure the business impact of digital marketing and social media. That said, **the majority personally feel only somewhat or not at all knowledgeable about the impact of certain technologies on their business, like search engine marketing (63%), mobile advertising (62%), search engine optimization (59%), digital display campaigns (57%) and social media advertising (56%). And only half rate their agencies as excellent/good in terms of providing relevant, actionable and measurable expert solutions for digital technologies.**

Detailed Findings

How important is it that a marketing or advertising agency has each of the following qualities?

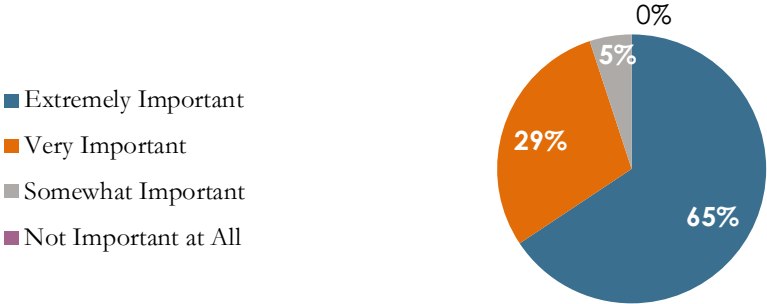
When asked about the importance level of a variety of qualities displayed by marketing or advertising agencies, all of the 11 qualities are considered to be extremely/very important by a solid majority of marketing/advertising decision-makers. In fact, four qualities – understanding their client’s business objectives, constantly thinking about their client’s needs, being fully engaged with their client’s business objectives and being aligned with their client’s business objectives – are deemed to be *extremely* important by a majority or near-majority of these professionals.



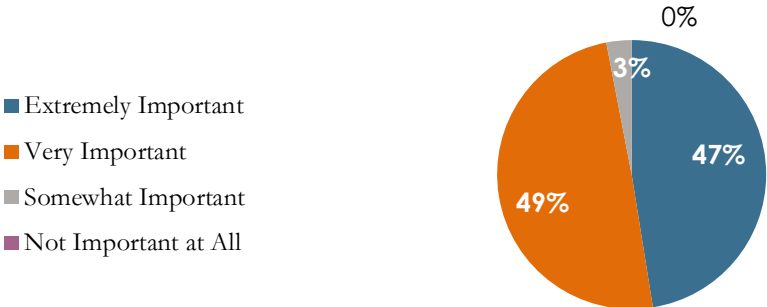
There has been some notable movement in the importance of these qualities (and their overall order) over the past year. While the top two items have remained the same, they are now displayed in a different sequence. And two qualities – contributing to their client’s overall business strategy and recommending new products, ideas and solutions – have risen significantly in importance. Even though recommending new products, ideas and solutions is still last on the “importance” list, it has increased from 61% in 2014 to 75% in 2015, and contributing to their client’s overall business strategy has climbed from 73% to 86%.

Specifically, these qualities are:

Understands their client's business objectives



Is aligned with their client's business objectives

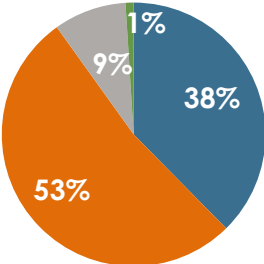


Constantly thinking about their client's needs



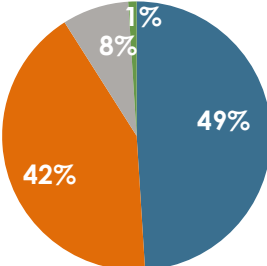
Proactively delivers new ideas to grow/improve their client's business

- Extremely Important
- Very Important
- Somewhat Important
- Not Important at All



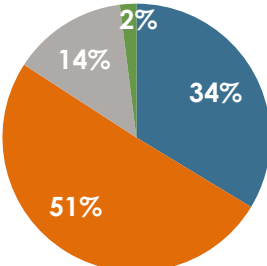
Is fully engaged with their client's business objectives

- Extremely Important
- Very Important
- Somewhat Important
- Not Important at All



Identifies and recommends marketing/revenue-generating initiatives that help drive their client's business

- Extremely Important
- Very Important
- Somewhat Important
- Not Important at All



Provides relevant, actionable and measurable expert solutions for digital technologies



Is integrated with their client's business objectives

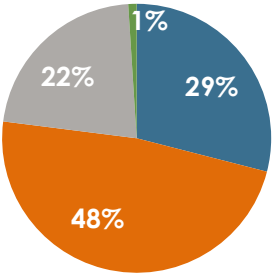


Contributes to their client's overall business strategy



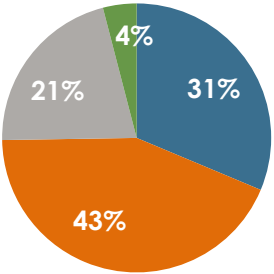
Provides ideas and solutions that go beyond advertising and marketing

- Extremely Important
- Very Important
- Somewhat Important
- Not Important at All



Recommends new products, ideas or solutions to create new sources of revenue

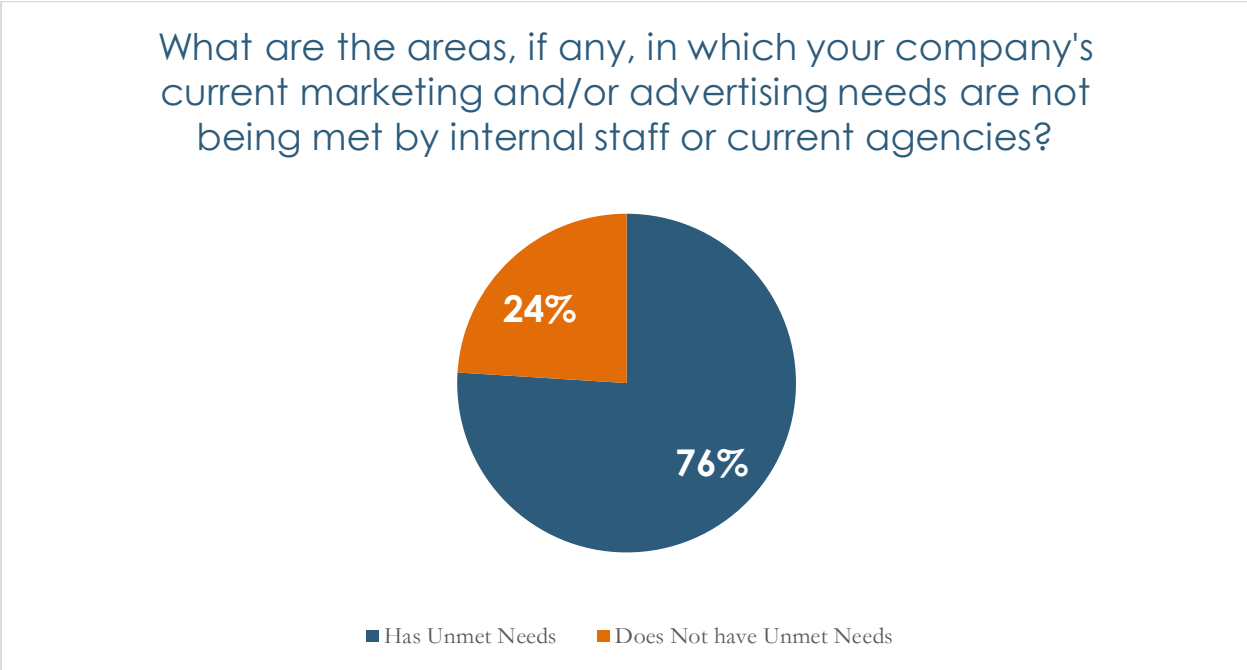
- Extremely Important
- Very Important
- Somewhat Important
- Not Important at All



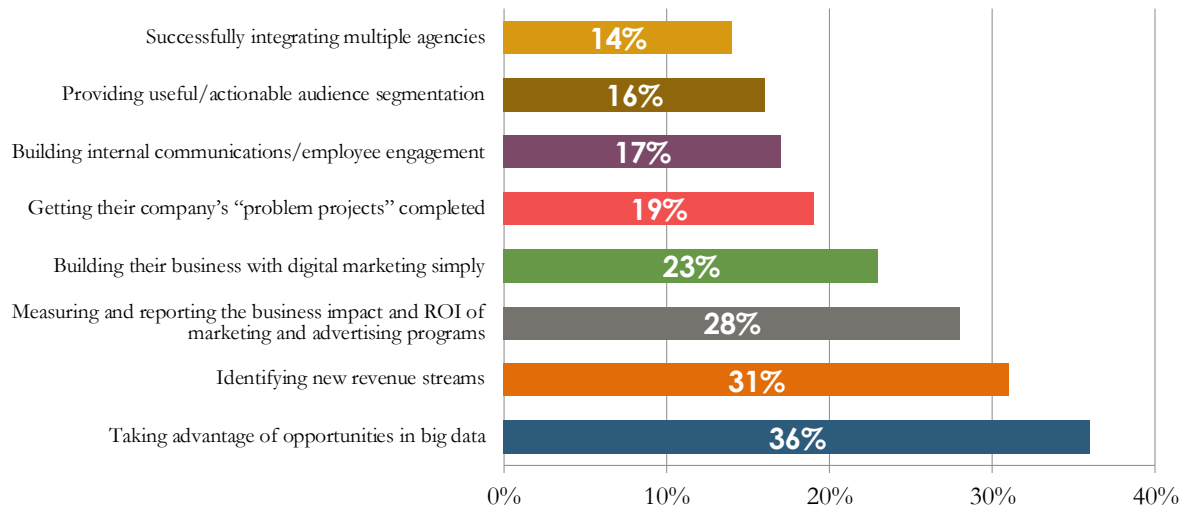
What are the areas, if any, in which your company's current marketing and/or advertising needs are not being met by internal staff or current agencies? Please select all that apply.

Seventy-six percent of marketing/advertising decision-makers identify at least some unmet needs by internal staff or current agencies. These include: taking advantage of opportunities in big data (36%), identifying new revenue streams (31%), measuring and reporting the business impact and ROI of marketing and advertising programs (28%), building their business with digital marketing simply (23%), getting their company's "problem projects" completed (19%), building internal communications/employee engagement expertise (17%), providing useful/actionable audience segmentation (16%) and successfully integrating multiple agencies (14%). Only 24% of these professionals say that all their needs are being met.

Over the past year, the order of largest unmet needs has shifted somewhat. In particular, the top item in 2014 – measuring and reporting the business impact and ROI or marketing and advertising programs – has dropped significantly from 43% to 28%, falling to third behind taking advantage of opportunities in big data and identifying new revenue streams. In addition, nearly one in five (17%) mention a new item – building internal communications/employee engagement expertise – that was not included on the list last year.

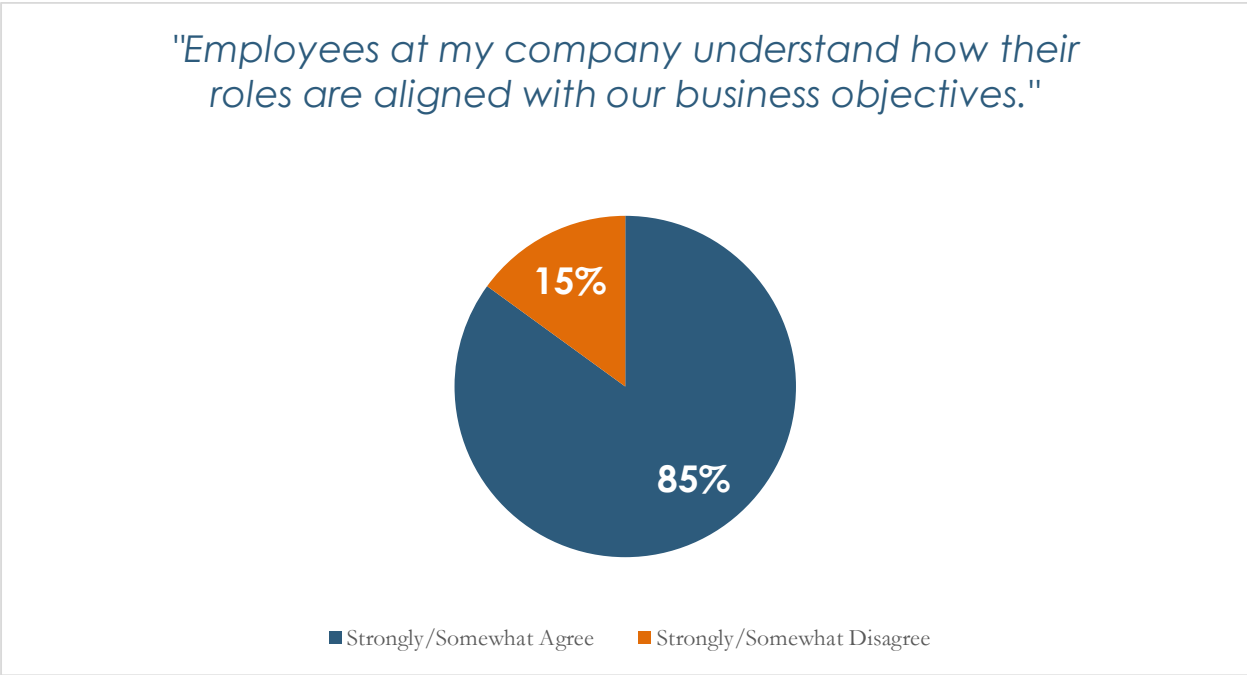
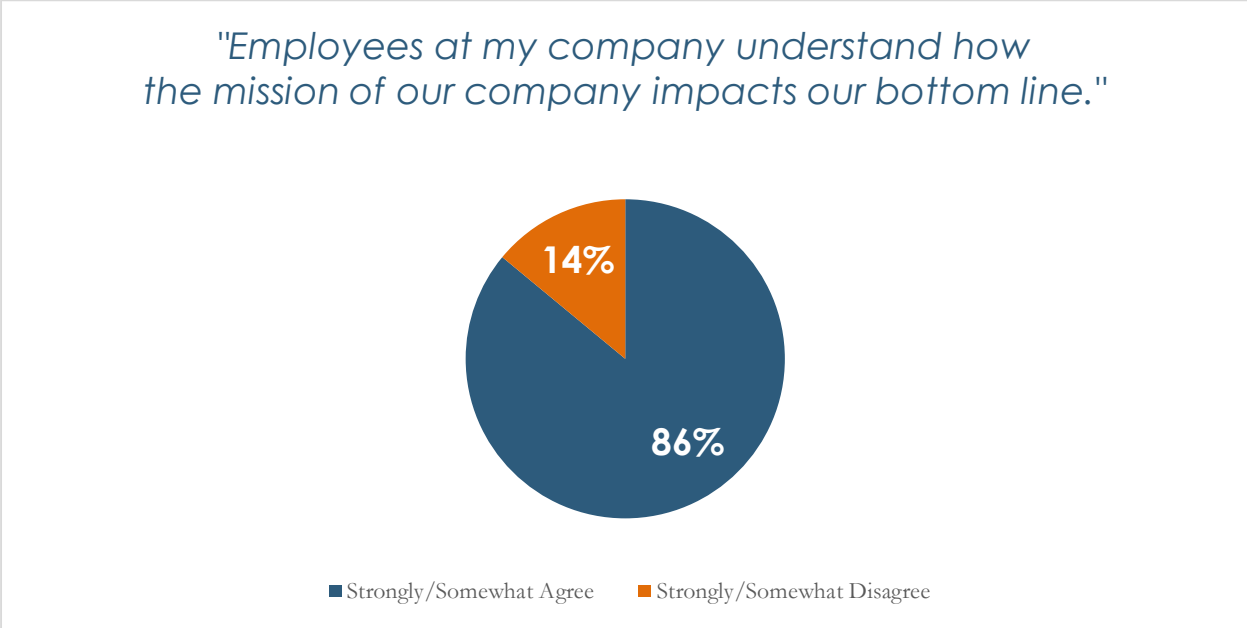


Unmet Needs

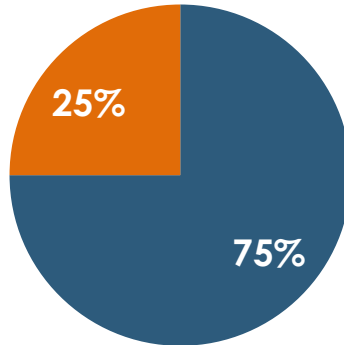


How much do you agree or disagree with each of the following statements?

Nearly nine in ten marketing/advertising decision-makers (86%) strongly/somewhat agree that employees at their company understand how the mission of their company impacts the bottom line, with 31% strongly agreeing with this statement. A full 85% strongly/somewhat agree that employees at their company understand how their roles are aligned with their company's business objectives, with more than one-quarter (27%) strongly agreeing. And three in four marketing/advertising decision-makers (75%) strongly/somewhat agree that employees at their company understand how their corporate brand impacts their bottom line; 28% strongly agree.



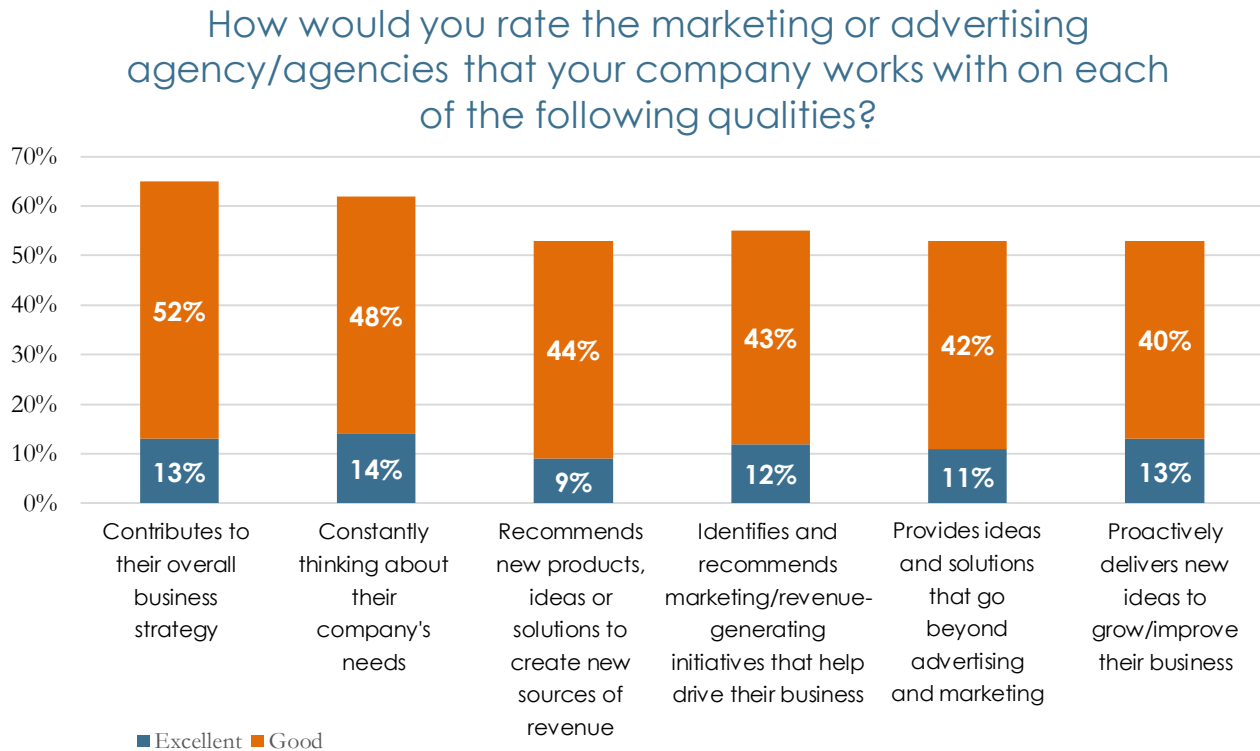
"Employees at my company understand how our corporate brand impacts our bottom line."



■ Strongly/Somewhat Agree ■ Strongly/Somewhat Disagree

How would you rate the marketing or advertising agency/agencies that your company works with on each of the following qualities?

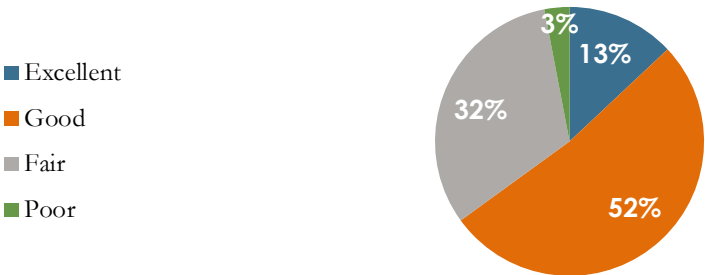
For all of the following qualities, a majority of marketing/advertising decision-makers rate their agencies as excellent/good in these activities. These include:



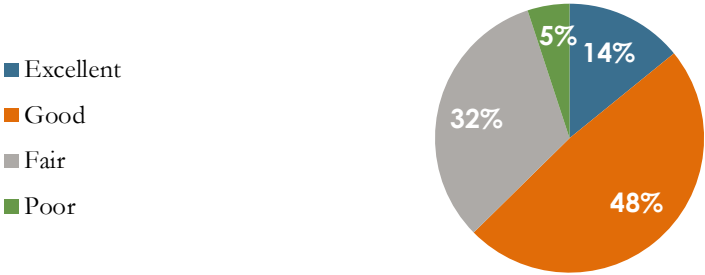
That said, nearly half of these professionals rate the agencies as only fair/poor on the same traits: recommends new products, ideas or solutions to create new sources of revenue (47%), provides ideas and solutions that go beyond advertising and marketing (47%), proactively delivers new ideas to grow/improve their business (47%) and identifies and recommends marketing/revenue-generating initiatives that help drive their business (45%).

The ratings on these qualities have remained fairly static since 2014, with relatively little change in order or proportion. The only one notable, though not statistically significant, shift is that recommending new products, ideas or solutions to create new sources of revenue has moved from receiving an excellent/good rating by only a minority of marketing/advertising decision-makers in 2014 (42%) to a majority in 2015 (53%).

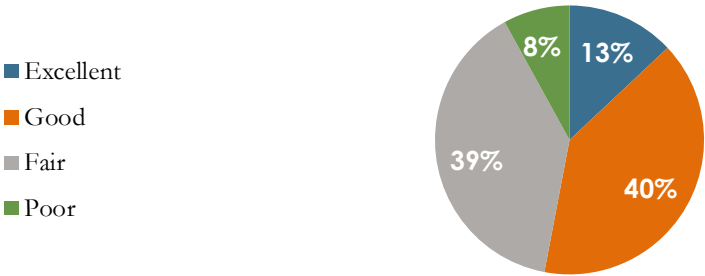
Contributes to their overall business strategy



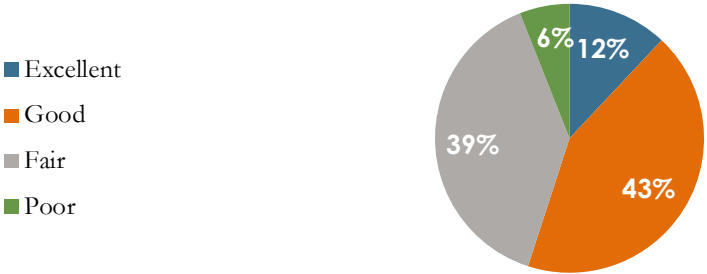
Constantly thinking about their company's needs



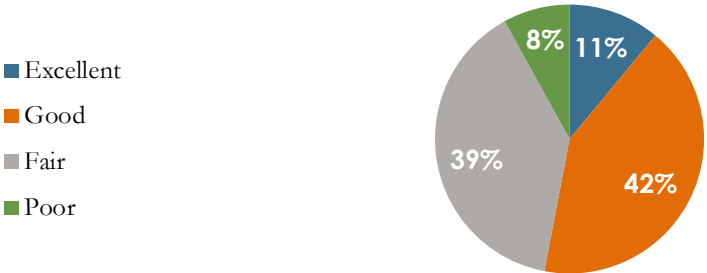
Proactively delivers new ideas to grow/improve their business



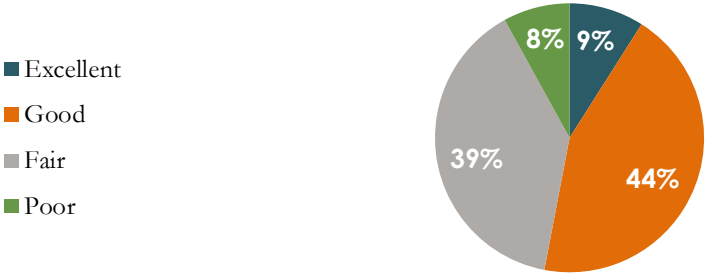
Identifies and recommends marketing/revenue-generating initiatives that help drive their business



Provides ideas and solutions that go beyond advertising and marketing

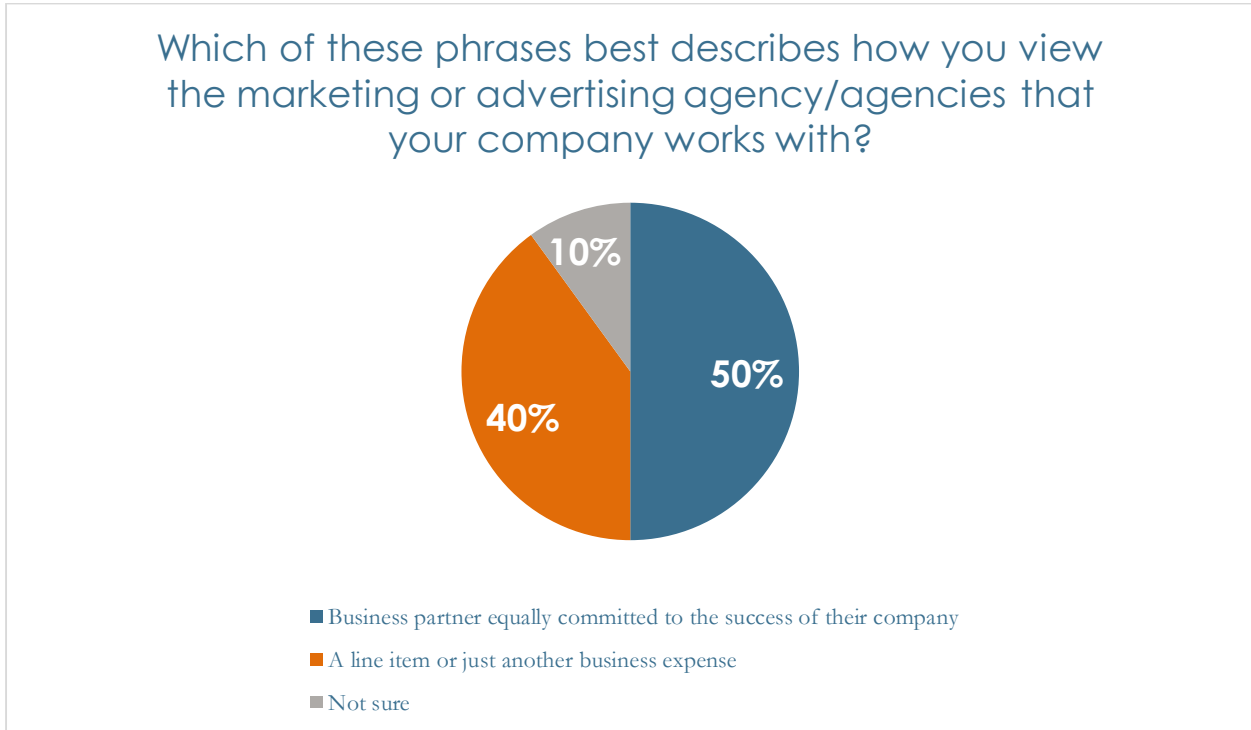


Recommends new products, ideas or solutions to create new sources of revenue



Which of these phrases best describes how you view the marketing or advertising agency/agencies that your company works with?

Fifty percent of marketing/advertising decision-makers view the agencies they work with to be a business partner equally committed to the success of their companies, while 40% consider it a line item or just another business expense. Ten percent are not sure.

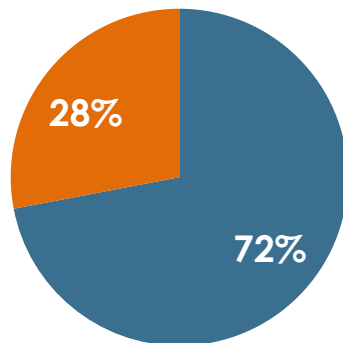


How much do you agree or disagree with the following statement?

“I want the marketing and advertising agencies my company works with to recommend new products, ideas or solutions to create new sources of revenue.”

Nearly three in four marketing/advertising decision-makers (72%) strongly/somewhat agree that they want the marketing and advertising agencies that their company works with to recommend new products, ideas or solutions to create new sources of revenue. Over a third (34%) of professionals strongly agree with this statement, significantly more than in 2014, when only 22% strongly agreed.

"I want the marketing and advertising agencies my company works with to recommend new products, ideas or solutions to create new sources of revenue."

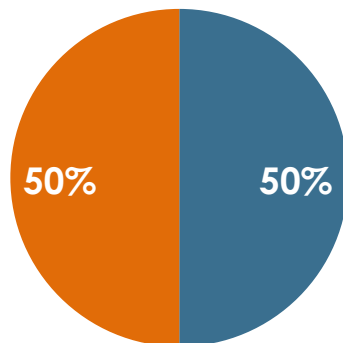


■ Strongly/Somewhat Agree ■ Strongly/Somewhat Disagree

How would you rate the ability of the marketing and advertising agency/agencies your company works with to provide relevant, actionable and measurable expert solutions for digital technologies?

An even split of marketing/advertising decision-makers (50%) rate their agencies as excellent/good in terms of providing relevant, actionable and measurable expert solutions for digital technologies, while half (50%) give their agencies only a fair/poor rating on this measure.

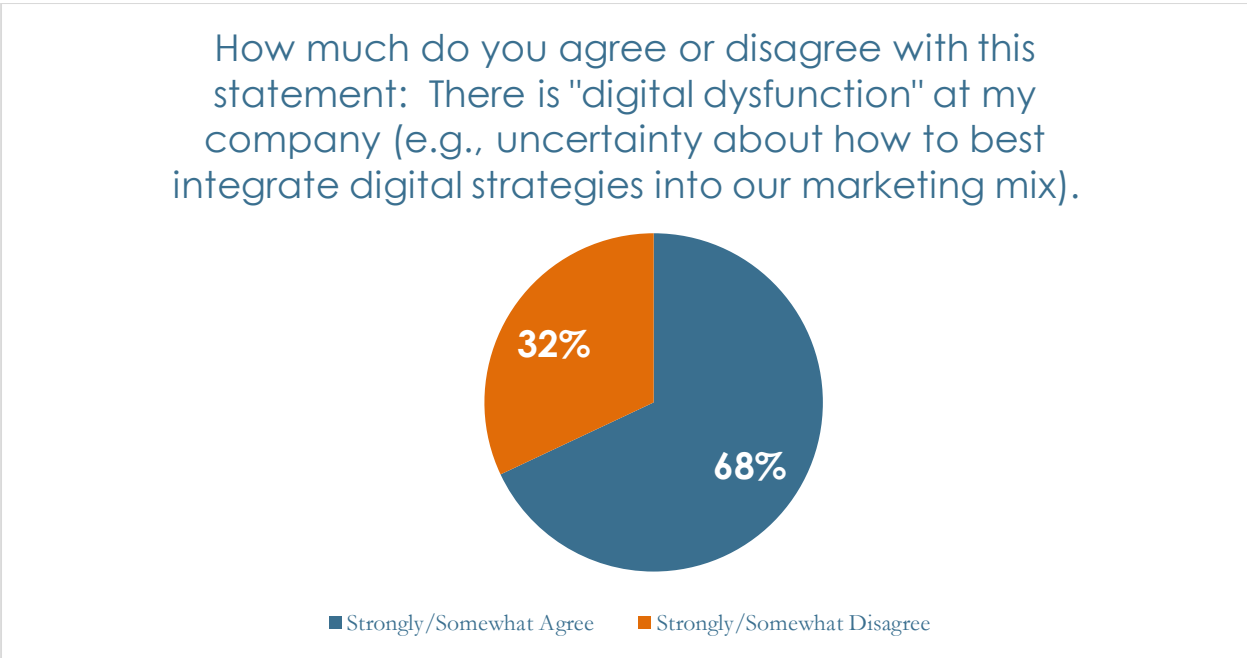
How would you rate the ability of the marketing and advertising agency/agencies your company works with to provide relevant, actionable and measurable expert solutions for digital technologies?



■ Excellent/Good ■ Fair/Poor

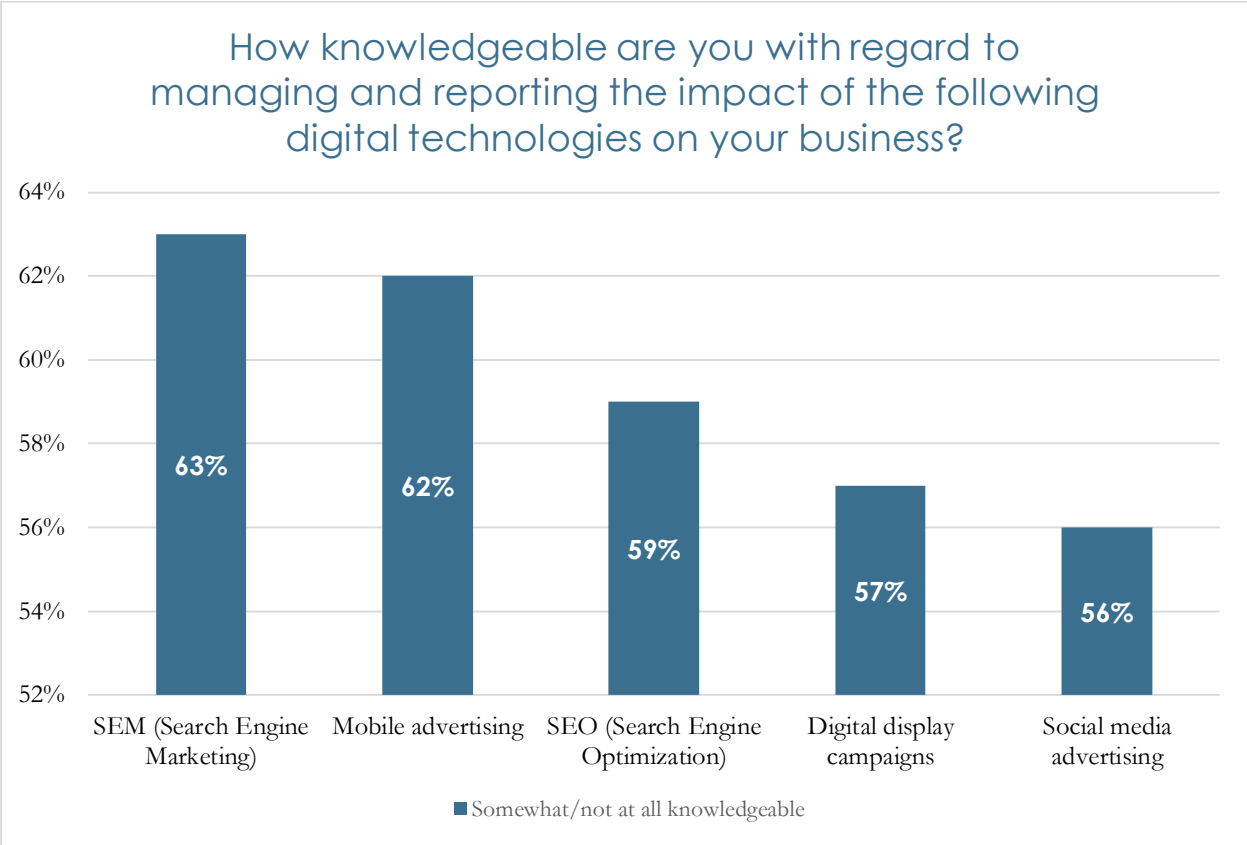
How much do you agree or disagree with each of the following statements?

A full 84% of marketing/advertising decision-makers strongly/somewhat agree that their company needs better methods to measure the business impact of digital marketing and social media, with 29% strongly agreeing with this statement. Seventy-nine percent strongly/somewhat agree that their company needs to achieve more with their digital marketing, including increasing ROI from social media; one-third (28%) strongly agree. Meanwhile, nearly seven in ten (68%) strongly/somewhat agree that there is “digital dysfunction” at their company, such as uncertainty about how to best integrate digital strategies into their marketing mix; 21% strongly agree (more than two times higher than 2014, when only 9% strongly agreed).



How knowledgeable are you with regard to managing and reporting the impact of the following digital technologies on your business?

A strong minority of marketing/advertising decision-makers say they are extremely/very knowledgeable about the impact the following technologies have on their business:



Rather, the majority of these professionals feel only somewhat or not at all knowledgeable about these technologies: SEM (Search Engine Marketing) (63%), mobile advertising (62%), SEO (Search Engine Optimization) (59%), digital display campaigns (57%) and social media advertising (56%).

The remainder does not feel these technologies are applicable to their business.

About Domus

We build your business by building ours around it.

Every agency has a purpose. Some aim for size and scale. Others for awards and attention. Domus? Our purpose has always been you (although we've racked up plenty of awards and attention along the way!).

We created Domus as an “adaptive agency” with the express purpose of delivering a more effective and flexible agency offering to clients. In our model, each client is assigned a staff strategist whose experience and abilities are matched to your business. Next, a team of independent specialists is assembled by the strategist, specifically to achieve the goals you determine. Then, as your needs evolve, so does the composition and structure of the team.

When we founded Domus, the “adaptive agency” was an idea ahead of its time. And because evolution is built into our platform, it always will be.

DOMUS. BUILT FOR THE CLIENT™

Contact Us

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