

Issue Alert

Exclusive survey finds only 25% plan to cut budgets

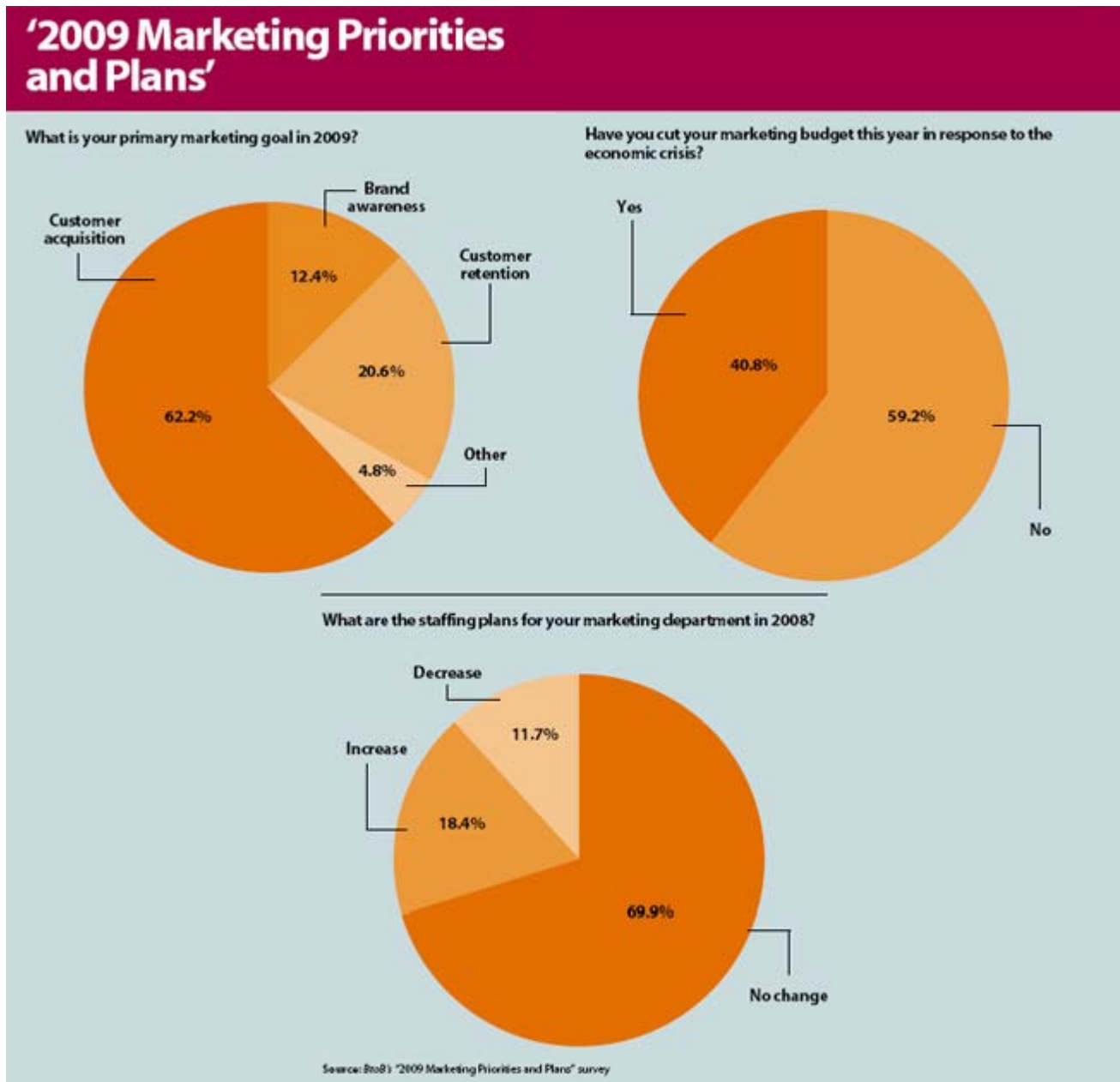
Kate Maddox

Story posted: December 8, 2008 - 10:34 am EDT

Despite the recession, nearly one-third of b-to-b marketers plan to increase their marketing budgets next year, according to BtoB's "2009 Marketing Priorities and Plans" survey.

The online survey of 211 b-to-b marketing professionals was conducted in November. It found that 31.1% of marketers plan to boost their marketing budgets next year, while 43.5% plan to keep budgets flat. About one-quarter plan to decrease their marketing budgets next year.

Significantly, of those planning increases, one-quarter intend to raise them by more than 20%, and nearly 9% plan increases between 15% and 19%.



Of those planning decreases, almost 30% plan to cut them by more than 20%, and 16.7% plan decreases between 15% and 19%.

The survey also found that 59.2% of marketers have not cut their marketing budgets this year in response to the economic crisis.

"We have increased our marketing budget this year," said Angela Franco, director of marketing and business development at G3 Translate, which provides language translation services to businesses.

This year, G3 changed its name from Gazelle Globalization Group to differentiate itself from sibling company Gazelle Global Research, and it launched a print, online and direct mail campaign to promote the new brand. G3 also plans to increase its marketing budget in 2009, Franco said. It plans to augment spending on print, online, direct mail and events.

"Because of the financial state in the U.S., many of our clients are expanding globally; and they need their market research surveys translated and their Web sites localized," Franco added, pointing to services that G3 offers and plans to promote in campaigns next year.

BtoB's survey found that customer acquisition is the top marketing goal in 2009, cited by 62.2% of respondents. Customer retention was cited as the top marketing goal by 20.6% of marketers, brand awareness by 12.4% and other marketing goals by 4.8%.

Of the various media platforms b-to-b marketers will use next year, online is a clear winner, with 66.5% of marketers planning to increase their online spending.

Many traditional b-to-b marketers are shifting more of their marketing dollars online, which costs less than traditional media and delivers trackable results.

General Electric Co. is one of those companies.

"About 15% of our media spend is on digital. In my mind, that is not enough," said Beth Comstock, senior VP-CMO of GE. "One of my goals is to continue to shift that spend." GE plans to use online technologies including streaming video, webisodes and rich media ads next year.

The survey also asked marketers which online tactics they plan to spend more on in 2009. Topping the list is e-mail marketing, cited by 68.3% of respondents, followed closely by Web site development (66.3%).

Other online platforms that will see significant budget increases next year are search (50.0%), online video (46.6%) and social media (46.6%).

Social media spending will be up dramatically over this year, when only 26.0% of marketers planned to increase their spending on the tactic, according to BtoB's "2008 Marketing Priorities and Plans" survey.

Forty-five percent of marketers surveyed for the latest report said they currently use social media as part of their marketing strategy, compared with only 20.0% of respondents to the "2008 Marketing Priorities and Plans" survey.

B-to-b marketers also plan to increase spending on webcasts (42.9%), banners (30.6%) and sponsorships (25.7%).

Some traditional media platforms will also see increased spending next year, including direct mail (36.9%), events (31.0%), telemarketing (21.8%) and print (20.6%).

However, while some marketers plan to increase spending on these media, others plan to cut spending. The survey found that 33.2% of marketers plan to cut spending on print; 30.5% will cut spending on events; 25.6% will cut direct mail spending; and 21.3% will cut outdoor advertising spending.

Some b-to-b marketers will do more virtual events and use Web conferencing technology to take the place of face-to-face meetings and events.

"We have dramatically cut our travel budget," said Mark Wilson, VP-corporate marketing at Sybase Inc. Instead, Sybase has made a significant investment in video conferencing systems, which it is using for client meetings, internal meetings and executive briefings. "Our CEO can reach even more customers by doing it virtually," Wilson said.

Despite the down economy, 60.2% of marketers plan to launch new ad campaigns in 2009, according to the survey.

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By contrast, last year's survey found that 69.0% of marketers had planned to launch new ad campaigns this year.

"In today's economic climate, it is even more vital for us to keep our marketing efforts a priority and intact," said Katie Ellis, director of marketing at Event Architects, an event management company.

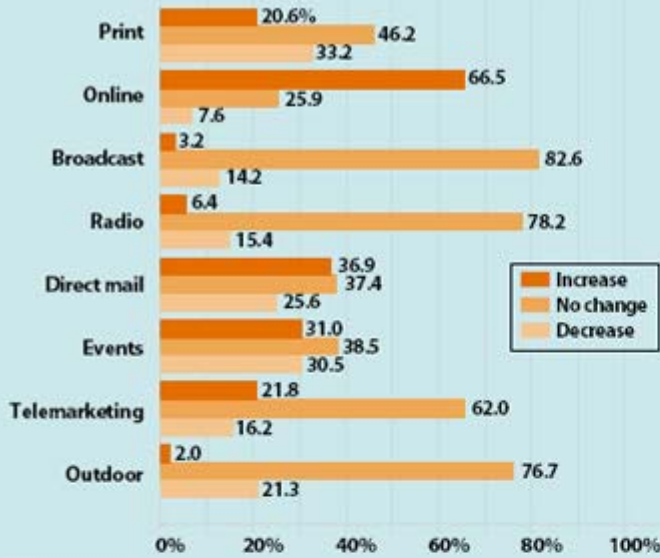
Event Architects' marketing budget will be up next year over this year, as the company plans to increase spending on print, online, direct mail and events, Ellis said. "We want potential clients to know where to find us and how we can add value in these difficult times," she added. To this end, Event Architects will launch new ad campaigns in 2009.

When asked about staffing plans for their marketing departments next year, 69.9% of marketers said they plan to keep staff levels the same; 18.4% plan to increase staff; and 11.7% plan to cut staff. This is a marked change from last year's survey, when 60.0% said they planned to keep staffing levels the same; 36.0% planned to increase staff; and only 4.0% planned to decrease staff.

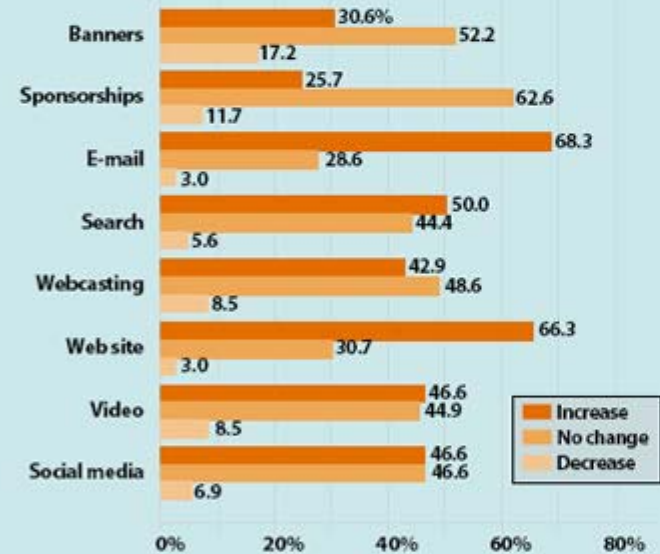
The survey also asked marketers about their overseas marketing efforts. It found that 43.8% will not do any overseas marketing; 26.9% will keep their overseas marketing budgets flat; and 25.1% will increase them. Only 4.2% plan to decrease their overseas marketing budget.

'2009 Marketing Priorities and Plans'

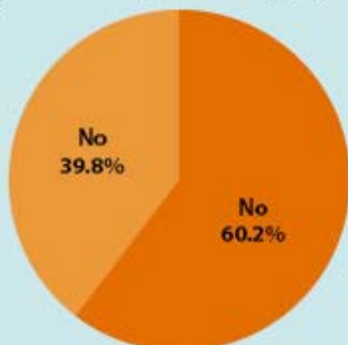
For the following media, what are your spending plans for 2009?



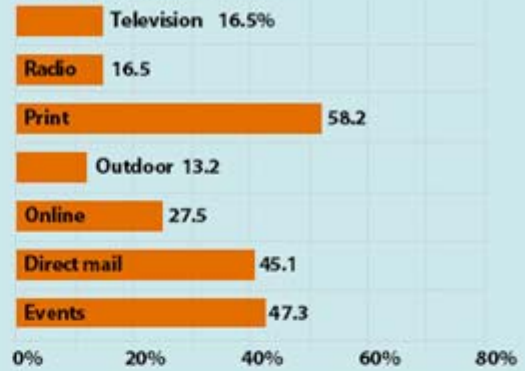
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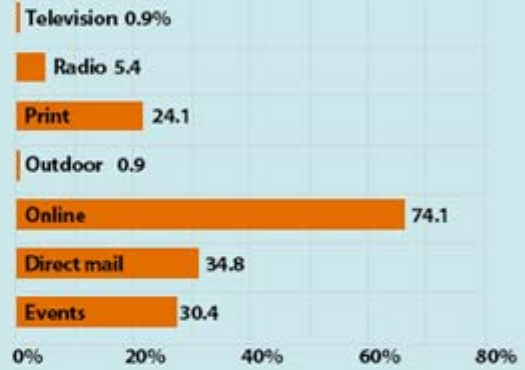
Will you be launching new ad campaigns in 2009?



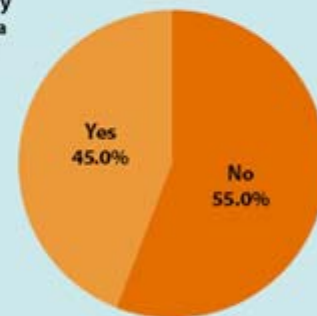
If you have cut your budget, where have you decreased spending?



If you have increased spending, which areas are seeing increases?



Do you currently use social media as part of your marketing strategy?



How would you rate your relationship with your agency in terms of its willingness and capacity to tailor programs to fit your marketing goals?



How would you rate your trade media partners